



REPORT

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EDITORIAL

For Whom the Bell Tolls

Something important happened in Ottawa recently.

I am referring to the clanging of the division bells on Parliament Hill. If you've been going by the comments you find in the media you might be tempted to dismiss the whole affair as the childish pranks of two willful brats. But I believe that what we have witnessed is a turning point for the Progressive Conservative Party. The PC's went into battle on a tax issue — and to their eternal credit they held the line.

For years the PC's, supposedly the defenders of free enterprise in this country, have sat down with Pierre and his boys and played the game of parliament like gentlemen. They have watched taxes, deficits and inflation skyrocket. They have watched something as fundamental as property rights be taken out of our new constitution, leaving us defenceless against future political scavengers. They have watched Pierre plunder the populace year after year. Yet that is all they did — watched, and muttered their protest. (continued on page 3)

HALT ACROSS CANADA

Action Update

Edmonton

Bruce Vaughan has been his usual active self. He's used a stream of letters to the editors of The Journal and The Alberta Report to make the public aware of the HALT viewpoint on topical issues. His most recent letters were a point-by-point comparison of Medicare and Alberta's previous non-government financed program, and an analysis of the proposal to build a \$180 million civic administration building for Edmonton.

The chapter now holds meetings bi-monthly. March's meeting featured local architect and HALT member Peter Hemingway as guest speaker. His topic was "Paper money and runaway taxation: how our present system destroys wealth". For information about May's meeting, contact Bruce at 462-0698.

Vancouver

HALT's first tv series has been officially accepted for local airing. The program can be seen weekly on Cable

10 starting Monday, April 12th. Volunteers under the guidance of John Brohman have worked hard on the researching, scripting and performing for each of the ten shows, even though the chance of profit-sharing from the syndication rights is slim.

In mid-March, chapter president Rick Bolstler appeared before City Hall's Finance Committee for final discussion of over a year's work on the privatization of garbage collection. On the recommendation of the Engineering department, Council decided to continue its present costly system. In an attempt to justify the unjustifiable, one member of the committee, Alderman Harry Rankin, later distributed to the media an accusation that HALT is nothing more than a front for private garbage companies.

Early in February, HALT had distributed a questionnaire to a selected list of Canadian courier and utility companies that were likely to be

victims of Bill C-42 creating the Canada Postal Corporation. About 15 per cent replied, and all expressed willingness to explore some form of legal action against the new crown corporation for lost revenues or increased expenses. Because of HALT's decision to close down its full-time office, we are now unable to undertake that action on their behalf, but are encouraging them to join together and do so themselves.
by Elizabeth Bolstler

Peterborough

Following several weeks of intense activity between troops of the government and a small detachment of HALT troops in Peterborough, the Ontario front has quietened considerably. Atrocious weather and below zero fahrenheit have not been conducive to active skirmishing, so the HALT troops have been biding the return of warmer weather before continuing to conduct occasional

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HALT Across Canada (continued)

At the last general stand-to on the 20th January about fifteen people were present to grill members of the local council. A questionnaire on Council spending, prepared by Sally Hayes and consisting of twenty-three points of interrogation, was presented to and accepted by the Council delegation, with a promise that it would be answered as soon as possible.

No such answer having been received a month afterward, it was decided troops should be present at the next Council meeting to ascertain why not. Monday 15th the writer and Bill Amell attended said meeting. The writer made the presentation to Council: he asked quite reasonably when HALT was going to get answers, stating that we felt we were not being overly importunate in asking this five weeks after the questions had been delivered. A resolution was made and passed that HALT should be provided with answers as speedily as possible. Another patrol will go out to the next Council meeting to make a further reconnaissance upon this matter.

A further question came up at the Council Meeting, concerning the erection by the city of a six-holer public latrine on one end of a soon-to-be-constructed office building upon a beach of a lake in the heart of the City of Peterborough. The six-holers price tag: \$132,600!

The writer joined other thirteen protestors, saying we had charged the Council with reducing public expenditure. Further, the \$132,600 required from our taxes could not be considered cheap, working out to \$22,100 per hole. (The writer felt like saying we could justly expect ermine-covered seats and solid gold plumbing fixtures for that amount, but refrained.) All the delegations pushed the meeting to the mandatory closing hour of midnight, so a vote had to be postponed until Monday 22nd, when a small patrol of HALT will be present to observe and possibly gather fresh ammunition.

Another skirmish took place between the Minister of Revenue and the writer, this one won by the Minister. The writer had taken part in a tv debate with George Ashe, MPP, in Hamilton the 19th January. The Minister, having ascertained that the writer was being paid expenses for this trip, wrote and sequestered the sum of \$3.81 from the station, as payment for sales tax owing. The writer is seeking legal advice as to whether this

THOUGHTS ON FREEDOM

by John Egolf, Jr.

Again the headlines are touting record high unemployment. However, I find that few have treated this problem from a proper perspective. Very few have even mentioned the relationship between wage rates and unemployment. Very few have shown any knowledge of the free market economy which made Canada and the United States great.

In a free-market society, wage rates for all can be increased only by increased savings and investment. When businessmen and entrepreneurs invest in new and expanded production, workers with newer and better tools can produce more per capita. With increased production, each unit fulfills a less important need, and thus each unit has less value. This is reflected in lower prices. Lower prices mean a rise in real wages, which mean a rise in living standards.

When there is increased investment, then businessmen have more funds to attract workers to new and expanded production. To attract workers, these businessmen must offer higher wages, and competition will force them to do so.

Increased savings can also raise the wage rates of those whose production methods have not changed much,

constitutes harassment, since no Order was produced for the seizure, only a letter signed by a mid-grade civil servant. If a positive answer is forthcoming, this should re-light media interest in the issue.

Feeling that his rear was exposed to attack by the media because he apparently now owes nothing to the Min of Re, the writer today (18/2) made an armed reconnaissance-in-force (i.e. accompanied by spouse) to the local Sears store, where he rapidly restored his front by purchasing a kettle and some windshield-wiper fluid. Upon both items, naturally, he refused sales tax. He feels happier now he is back to normal, owing the government \$1.04.

Almost daily phone calls or letters are received by the writer asking for info on HALT. One such was from a Mr. Edward B. Smith who had refused sales tax and had now received a demand for 56 cents. He phoned to say he would be sending the Min of Rev fifty-six post-dated cheques for 1

such as barbers, maids, etc. Those using the services of these workers must pay more for these services or lose these workers to those offering higher wages and benefits.

The present high unemployment is not due to any free-market situation.

Governments, by passing minimum-wage laws and extending special legal privileges to labor unions, have pushed many wage rates above market levels. When this happens, the marginal businesses must close, resulting in unemployment and malemployment. Consumers are not willing to compensate these marginal firms for artificially high wage rates. Further, other, more efficient firms cannot hire as many workers, accentuating the unemployment. The market with its consumer sovereignty is not allowed to operate effectively.

Governments also enhance the unemployment by extending benefits to those unemployed. By granting unemployment insurance, food stamps, etc., many unemployed workers lose incentive to look for jobs. Many believe that they are working for the difference between wages and "free" benefits.

The only way for wage rates and living standards to rise is to remove obstacles to savings and investment. 

cent each, payable at intervals, explaining that he was unable to pay this prodigious amount all at one go.

Recruited to HALT Chapter has been an influential local Peterborough printer who has offered to do all our printing at cost of materials only. Name, Vern Jackson of Centennial Printers. 

by Bruce Knapp

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Port Moody City Council Knuckles Under

by Cheryl Lowther

A recent candidate for a head-in-the-sand-type award is Port Moody City Council, who voted down a proposal guaranteed to save its taxpayers \$135,000 a year. The reason? Decide for yourself. Here are the facts.

The story begins with a 1980 report prepared for City Council, revealing that the sanitation equipment was in bad shape. According to the report, new equipment would need to be purchased if the garbage collection service was to maintain existing quality. Estimated cost to the taxpayers: \$200,000. The city decided to look into the possibility of privatizing its garbage collection service. Studies by the National Science Foundation of 1,378 American communities had shown that private operations were cheaper than municipal services by an average of 68 per cent for cities of 50,000 or more. And close to home Surrey and Delta had been enjoying cheaper, strike-free service for the last six years.

Accordingly, on October 26, 1981,

City Council approved the following resolution:

"That the City continue with calling of public tender for a private contractor to collect and haul garbage to the G.V.R.D. landfill and that the City is prepared to consider a bid by the City's own employees on the tender."

Only two tenders were received, both from large well-known private companies, and these tenders were handed over to the City Engineer for further study.

Opposition to council's decision came swift and ferocious from a predictable corner. The Canadian Union of Public Employees, noting that election time was looming for five City Council positions, decided to make the project a major election issue.

Among other tactics, C.U.P.E. placed a quarter page ad in the local newspapers entitled "Port Moody's City Council is about to step in (the trap) — unless you stop them." The ad contained a series of revealing fabrications. One example is the

following quote:

"...The city of Kingston, Ontario contracted out its garbage collection in 1973 for a total cost of \$150,634. One year later the cost had jumped to almost \$230,000 — to pick up virtually the same amount of garbage. Last year, garbage collection cost the city of Kingston \$700,000. An increase of 400 per cent in six years."

A letter from the Deputy City Engineer of Kingston, Ontario to the HALT Vancouver office revealed the truth of the matter. Ironically, the city of Kingston does *not* contract out garbage collection at all: all refuse is collected by the municipality. The figures cited may have been intended to apply to a local contractor, Tricil, Ltd., who has been hired to carry out the *disposal* function. However, Tricil's yearly payment increases are tied to Stats Canada price index inflation rates. The whole C.U.P.E. argument had been drawn out of the air.

On November 22, 1981, four new City Council members, at least two of whom were running on an

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EDITORIAL (continued)

Protest muttering doesn't work. That was the tactic used by the Western allies prior to World War II, as Adolf Hitler built up the German military machine. And Hitler received the same message that Pierre Elliot Trudeau has been receiving these past years. *You don't have to take us seriously.*

Up til now, nobody has ever taken Joe Clark seriously. But "Joe the Wimp" broke all the rules one day by taking his Party out of the house and refusing to cooperate with a bully and tyrant. The details of the Bill being debated will not be discussed here. The most important fact, however, was that Joe Clark and his party made history by doing something unconventional — and principled.

The media didn't like it one bit. Defiance is apparently not a trait that is to be cherished in our politicians. Maclean's in particular attempted a national apology for the affair. Its message was clear to us all: "Joe, it's embarrassing when our opposition leader really opposes something." Well, Joe Clark said no in the only way that saying no has meaning. He backed it up with action.

Maclean's doesn't seem to like principled action if it opposes the will

of the leader. We do. To Joe Clark and the PC's we can only say, "More of the same!" It's going to take a lot of principled action to undo the mess that 14 years of Trudeau government have wrought upon us. We had better start now. ☹

by Richard Bolstler

TAX VISE

Our finance minister, forever searching for ways to build up government coffers, has dropped a bombshell which no Canadian can ignore: the idea of taxation of imputed income.

Mr. MacEachen's plan is simple. If you possess your own home, you are saving money you would otherwise pay to rent it, and this sum should be a taxable benefit. For example, if the house you own would cost you \$5000 a year to rent, this \$5000 "imputed income" should be taxable.

Consider the implications of such a scheme. You own your car, your television, your tennis racquet. Should you be paying tax on the money you save each year by not having to rent these items? Should *all* your property be taxed by this formula? Mr.

MacEachen is opening the door for just that eventuality.

The argument goes something like this: A taxpayer who rents a home instead of buying one puts the money saved into bonds; he then pays tax on the interest. A homeowner puts this same capital into a home and pays nothing to the government. According to Mr. MacEachen, this is unfair. In other words, if you buy property instead of tax generating bonds, you are robbing the government of its due.

What underlies this justification is fundamental. Mr. MacEachen is saying that *any money a person makes must be used in such a way as to produce more tax revenue for the government.* The obvious conclusion is to tax all property so that nothing will be missed.

Our ingenious finance minister has finally produced a scheme by which a person could feasibly owe more in taxes than he receives in income in a year. He has developed a method whereby taxes can be levied on income that doesn't exist. Should this scheme be included in the next federal budget, the precedent would be set for unlimited license to tax.

Mr. MacEachen has shown us he will stop at nothing to squeeze more dollars from Canadians. Let's take him literally. ☹

REBELS IN ACTION

The crusade launched months ago in Ontario by Bruce Knapp has been joined by Eric Biggins, a libertarian Councillor in St. Vincent Township near Meaford, Ontario.

Mr. Biggins persuaded his fellow Councillors to adopt a resolution advocating that consumers stop paying provincial sales tax on the grounds that it is "the biggest single contributing factor to inflation."

The resolution, which has been sent to all Ontario municipalities for endorsement, explains that consumers are not bound by law to pay sales taxes over the counter if they instead leave their names with the merchant. He in turn forwards them to the Ministry of Revenue.

A veteran resistor to coercive government regulation, Mr. Biggins says he does not advocate a tax revolt but just wants to make tax collection more difficult for those who are doing the collecting.

The resolution ends with the paragraph: "We have here all the ingredients for a Boston Tea Party, Canadian style ... Call it 'the tax revolt' or 'the paint pot rebellion,' as you will, but I urge all Canadians to join it."

"One thing you lads are going to learn soon enough as this country comes apart at the seams is that you need us to survive, but we sure as hell don't need you."

So saying, Peterborough businessman John Hayes rolled up his sleeves and launched into round 2 with Revenue Canada.

As reported in last month's HALT Report, John Hayes has dropped his role as unpaid, involuntary tax collector. As a protest to last November's budget, John has been paying his employees their total earnings and letting each of them decide whether or not to remit the income tax owed to the government. When the local tax office phoned, Hayes agreed to provide access to all his payroll records from the time he started the procedure. But when two inspectors turned up and announced an audit of his entire business records for all of 1981, John refused, vowing not to continue to be part of the scam.

Revenue Canada wasted no time sending Hayes a bill for the employee income tax that had not been received to date, a sum of \$10,344.59, plus

interest and penalties totaling \$1,334.45. John, at his indignant best, countered with an invoice to the government for \$15,750 worth of tax collecting fees plus interest over 15 years. "Try to get this amount back to us in the next fifteen (15) days. If you're a bit leery about Canada Post, just send it Purolator (collect). We've got an account with them."

Revenue Canada responded with a brochure outlining their policy of a "firm approach in dealing with delinquents so as not to discriminate against those who pay promptly". Hayes wrote back that he had to enlist a bilingual friend to translate all the ominous "big words" contained in the brochure. He told them he resented their recent attempt to investigate his bank account and was writing his MPs to give them permission to intercede in his behalf.

Subsequently, Revenue Canada issued Third Party claims against some of the clients of John Hayes' company, attempting to recover the money owed by Hayes' employees. To expose the gambit, Hayes has begun

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Port Moody (continued)

anti-privatization platform, were elected to Council.

Meanwhile, the City Engineer had been studying the tenders received. On December 2, he sent a memo to the City Administrator recommending contracting garbage collecting to Haul-Away Disposal Ltd., a private concern already operating out of Surrey, Delta and West Vancouver. He cited numerous reasons for his choice. There would be a saving to the City of at least \$135,000 a year; there would be no need to replace existing equipment now or in the future; a higher quality of service could be offered; and in the event of a municipal employee strike, garbage

circulating a questionnaire, accompanied by copies of the letters to and from the government, to assess the temperament of the business community toward this incursion. The package is also being sent to all Federal Members of Parliament.

Of Hayes' intransigence, Barbara Amiel recently wrote in The Toronto Sun: "In the actions Revenue Canada takes against John Hayes they may lose both a tax collector and a source of tax revenue. But at least John Hayes stood up and took some action."

"You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer. You cannot further the brotherhood of man by encouraging class hatred. You cannot help the poor by destroying the rich. You cannot keep out of trouble by spending more than you earn. You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them what they could and should do for themselves."

— Abraham Lincoln

collection would still continue.

On January 11, 1982, despite the Engineer's recommendations, the new City Council voted to leave the garbage collection service with city employees. The about-face was predictable; C.U.P.E.'s scare tactics had succeeded.

When threatened with the prospect of privatization of their service, the Canadian Union of Public Employees had two options. They could back up their claims of cheap, efficient service by underbidding private contenders, or they could resort to misinforming the voting populace about the issue at election time. Their choice is an obvious message to taxpayers. The public interest at heart? Hardly.