



# the halter



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## HALT EDMONTON

Under the leadership of President Mike Kozak, the Edmonton Chapter has been meeting to firm up future activities. The hottest prospect would appear to be participating in the upcoming plebiscite on the Edmonton Convention Centre.irate Edmonton taxpayers recently forced a petition to hold a plebiscite on the centre. Kozak will be approaching Alderman Ed Leger, the driving force behind the petition, to discuss plans for cooperation with HALT. Kozak will also be meeting with leaders from the Edmonton Voters Association, another citizens activist group, to look at the possibilities for future cooperative effort.

## HALT VICTORIA

HALT Victoria let it be known that they will take a back seat to no one. They have organized their chapter and are investigating local issues. At their last meeting, attended by 18 people, they selected their executive committee.

PRESIDENT:	Dr. Don Braden
VICE-PRESIDENT:	Peter Stuart
TREASURER:	Denis P. Sequin
SECRETARY:	Monica Coombs
PUBLICITY:	Shirley Wilde

Assisting the executive is a phoning committee plus Ron Douglas, who took on the responsibility for copying and mailing services. The Chapter is now doing research on

political issues and is planning a public meeting for November. We applaud our Victoria Chapter and look forward to further developments soon.

## HALT CALGARY

HALT's most visible Chapter continues to lead the Canadian tax revolution. After a successful petition drive to hold a plebiscite on the \$250,000,000 Civic Centre (see THE HALTER, September, 1979), the Chapter has been engaged in activity designed to convince the Calgary taxpayer to turn down this unsound proposal. At the forefront of this activity is President Wayne Kollinger, who has recently been involved in televised debates with the mayor and has spoken to the Alberta Liberal Party at their recent convention.

In addition to these activities, the Chapter has been sponsoring public meetings to inform the taxpayers of the hazards of going ahead with the Civic Centre. They have also distributed pamphlets outlining some of the negative considerations of the Centre.

Groups supporting the Civic Centre have suddenly materialized, one of which showed some originality in calling themselves GO. A real Proposition 13 type battle is looming. The pro Centre forces are well backed financially and will put up a stiff fight. This Goliath is up against a small, under funded David — our HALT Calgary. Let us wait and see if the Calgary taxpayer has the courage of his California counterparts.

## UNPAID TAX COLLECTORS RESIGN

*by Heather Engstrom*

A report recently received from the Spreemans of Olds, Alberta, indicates an added dimension to the battle against taxation and government bureaucracy. It is a facet of the taxpayers' story that small business owners are acutely aware of, though one that the rest of us may not have considered.

The Spreemans own C-2 Transport, a small firm employing from 4 to 12 people yearly. Carol Spreeman succinctly sums up the problem, and her and her husband Ken's solution, in the introduction to her report:

"Considering the fact that I was not being paid for my many hours of service to collect employee's taxes, UIC and CPP,\* I decided to refuse to collect. Anyone working for us now signs a note which states that they request their gross pay due them. They then issue to me semi-monthly their hours \* *Carol estimates that an average of 20 hours per month were spent on the elaborate payroll procedures required.*

hours of work, and payment is made to them with no deductions."

This change in the Spreeman's role is involuntary tax collectors was made in January of 1978. The inevitable bureaucratic attention to their unorthodox maneuver was hastened by the decision the following August of one of their more lackadaisical employees to take a rest and opt for his annual poge. He reported to the government his estimated income for the period of his employment, and cheerfully applied for his hard-earned UIC benefits.

Before long the Spreemans received the first of a series of heavies from the various offended government departments. Throughout these visits the Spreemans kept up a steady passive resistance. By refusing to supply information, by refusing to acknowledge veiled threats, by refusing to sign

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## NEWS BRIEF

Canada's largest national magazine has taken official notice of HALT activities. MACLEANS' senior writer Barbara Amiel alluded to HALT as a "movement" in her column in the November 5th issue, and the November 19th issue contained a favorable article on the HALT approach to the Calgary civic centre project, concluding with a quote by HALT Calgary president Wayne Kollinger: "It's the kind of thing that interests us — raising taxes for things that are the responsibility of private enterprise."

Murphy's Pub in downtown Vancouver was the scene of a lively taping of a "Live It Up" show. Toronto CTV producer Jessica Markland came to town looking for material for a documentary on the individual against the government bureaucracy, and line up a slate of Vancouver's most articulate activists. Census opposers Walter Boytinck and Angela Sheremata, long time red tape rebel Ed Murphy, and HALT president Mike Little spoke of their battles against the government, and discussed the nature of the actions that individuals must take to counter government threats. The session was colorful and articulate. Watch for it on CTV's "Live It Up" sometime in the next few weeks.

A camera and crew from French network CBC recently showed up at HALT head office to interview director Rick Bolstler on present activities and future plans of HALT. The producer had apparently received information about the organization from a French (i.e. France) correspondent who suggested that French CBC do a story on "the Robin Hoods of the forest of great skyscrapers of the Canadian West."

Mike Little, in a November 13th speech to about one hundred Victoria businessmen at a HUDAC (Housing Urban Design Association of Canada) banquet, stressed the importance of a consistent attitude toward free enterprise and the hazards of special interest pressure groups attempting to swing new legislation in their favor. A strong interest in HALT was indicated by the response to the speech.

November 15th saw president Mike Little leave for Toronto for the purpose of setting up active Ontario HALT chapters. Ontario representative Paul Miniato, who has been organizing the tour, has set up at least twelve public meetings and numerous media engagements. In addition to Toronto area engagements, Mike will be travelling out of town to speak to groups such as the Windsor "Essex County Ratepayer's Association", who have expressed interest in setting up a HALT chapter. He will also address a Temiscaming, Quebec, tax reform group headed by Andre Ferlatte, who now writes, "I am convinced that the best way to achieve our aims is through HALT, as an existing organization would be more credible to prospective members and to the media."

On October 22 Mike Little and Walter Boytinck appeared on CJOR's Terry Moore Show. They discussed HALT and its objectives with Terry and then handled questions from the listeners. Many interested people phoned later for membership forms. Moore invited Mike and Walter back for another appearance.

The recent Executive Life Style trade show held at the Hyatt Regency Hotel in Vancouver marked the appearance of HALT's first convention-style booth. HALT exhibitors Nick Moldovanyi and Bill Buckler set out to cheerfully demonstrate how executives will soon lose their current life style unless they take some precautions (such as joining HALT) against a dark future. The booth attracted a great deal of favorable attention from both the general public and other exhibitors. Nick and Bill had the opportunity to speak to hundreds of people and gained many valuable contacts. Our thanks to the Vancouver Board of Trade, who sponsored the show, and especially to Des Hubble, trade show organizer, whose interest in HALT allowed us a substantial discount on booth rental.

Nick Moldovanyi, former leader of the Libertarian Party of Canada, recently joined head office on a full time basis as head of fund raising. He brings with him enthusiasm, commitment, proven speaking ability, and is both an experienced activist and a knowledgeable and articulate defender of freedom. Nick is presently accompanying president Mike Little on a month-long trip to Ontario. Welcome aboard, Nick.

On November 13th, the Rembrandt Hotel in downtown Vancouver was the site of an Organizers' Meeting handled by director Rick Bolstler and Bill Buckler, who is heading up HALT team activity in B.C. Attended by twenty-five active HALT members representing Vancouver, Richmond, Burnaby, the Fraser Valley, Coquitlam and the North Shore, the meeting was the first step in setting up local chapters in these areas. Rick explained the concept of the "50", HALT's organizational building block\*, and Bill assisted the participants in the selection of officers and in the setting up of initial local meetings.

\* The concept of the 50 is fully explained in the Organizers' Handbook. See ad this page.

### START A HALT CHAPTER

Our **Organizers' Handbook**, a step-by-step guide through the initial procedures necessary for forming a local HALT chapter is now available from head office. Included in the book is an in depth explanation of the "50" - HALT's organizational building block. This book will prove invaluable to anyone who is now active in or who is thinking of starting a local HALT organization.

To order a copy, send \$1.00 plus 50c postage and handling to HALT head office at 909 Thurlow, Vancouver, B.C. V6E1W3. |

NAME.....  
ADDRESS.....  
CITY.....  
PROV..... Postal Code.....  
Tel no .....

**LESSONS OF PROPOSITION 13**

*by Robert W. Poole, Jr.*

"Schools and hospitals will be shut down, police and fire protection gutted, and 450,000 public employees will lose their jobs. City and county budgets will be slashed by 57%!"

These were the dire predictions made by nearly every California leader prior to passage of Proposition 13 in June of last year. The fiscal experts included Governor Jerry Brown, the editors of the *Los Angeles Times*, the UCLA Graduate School of Management, and the Business Round-table. Fortunately for taxpayers, all were dead wrong.

The UCLA forecast of 450,000 lost jobs, for example, was based in part on unjustified assumptions but mostly on a phony figure of \$3.4 billion for the state budget surplus - the actual figure was nearly *double* that amount. Why the discrepancy? Government officials lied.

So did major newspapers and local officials in misrepresenting projected *property tax* cutbacks - 57% - as the extent of city and county *budget* cutbacks. In fact, since property taxes accounted for only 12 to 15% of most budgets, the actual spending reductions would be only 7 to 8% and the politicians knew it.

What has actually occurred in the wake of Prop. 13 is a boom of nearly unprecedented proportions. Some \$6.4 billion in property tax cuts and another \$1 billion in state income tax cuts have increased personal income by 14% over the past year, nearly the best in the nation. That, in turn, has fueled a surge in consumer spending, which is also up 14% over last year. Despite the boom, though, California's consumer price index is up only 8% this year - far less than the national average - thanks to markedly reduced taxes.

Perhaps the most spectacular result has been Proposition 13's effect on jobs. To be sure, there *have* been reductions in public sector employment - that, after all, was part of what Prop. 13 was all about. But the total reduction has amounted to only (surprise!) 8%. Statewide, that translates into 100,000 government jobs, not the forecast 450,000. But there have been only 17,000 actual layoffs; the remaining 83,000 have simply retired or quit to find work elsewhere.

In the *private* sector, however, employment is booming. Some 552,000 new private sector jobs were added in California over the past year, cutting the state's unemployment rate nearly a full percentage point, to 6.2%. Over the same period, the national unemployment rate declined by only half a percentage point. These results are all the more impressive because unemployment in California normally averages one to two percentage points *above* the US unemployment rate, since so many people continually move there seeking work. California unemployment is now less than half a percentage point above the US rate - the smallest spread in 15 years!

Why did cutting taxes lead to a boom in California? Economist Art Laffer of the University of Southern California thinks he knows the answer. For several years now he's been making the argument that tax levels are so high that the economy is being stifled. The "tax wedge" - the

increasing slice of the pie that government takes out of every employee's paycheck - discourages employers from creating new jobs (by increasing their costs) and discourages employers from working harder (since government gets such a big share of their increased pay). Thus, large-scale tax-cutting seems likely to stimulate companies to create jobs and employees to work harder.

More generally, cutting back *anywhere* on today's oppressive tax burden is likely to lead to new growth in the private sector, as people and firms have more money left to spend on their own needs. Indeed, the now-famous Laffer Curve predicts that tax cuts (from present high levels) may stimulate so much activity that subsequent tax *revenues* may actually increase. That, in fact, has already happened in California, where Prop. 13-inspired consumer spending led to an extra \$1 billion in sales tax revenue during the past year.

But California is not the only evidence for Laffer's theories. In 1977 Puerto Rico's newly elected Governor Carlos Romero Barcelo eliminated a hated 5% income surtax known as La Vampirita and the Korean War "Victory Tax." This was followed in 1978 by a general 5% cut in income tax rates, a cut in excise taxes, and repeal of the \$2/barrel oil import surtax. The results? In the past three years 107,000 new jobs have been created and real economic growth (after inflation) is averaging 6% a year. And the government's former budget deficit has been replaced with a \$50 million surplus, as the booming economy generates higher revenues despite the lower rates.

More evidence comes from economists Robert Genetski and Young Chin at Chicago's Harris Bank. They examined the economic growth rates of all 50 states and compared them with changes in their tax burdens. The result? States with tax cuts have better-than-average rates of growth, while those whose tax burdens increased sharply (like New York, New Jersey, and Massachusetts) experienced declines.

There seem to be two important lessons in all of this. First of all, it seems likely that most parts of the United States are still out on the far reaches of the Laffer Curve - i.e., they are taxed to the point where government has become a real drag on the economy. Tax cutting measures - whatever their other virtues - are therefore more likely than not to lead to economic growth.

The second lesson is simply this: politicians, bureaucrats, and their powerful allies are prepared to lie to preserve their access to the taxpayers' wallets. Concerned taxpayers must be prepared for this and expect to do their own analysis of the effects of tax-cut measures.

Irving Kristol has summed up the meaning of the Proposition 13 battle as follows:

Rarely has there been such a disgusting episode in American state politics - one in which politicians, fighting for control over their constituents' money, lied and threatened and lobbied without scruple. It was a new kind of class war - the people as citizens versus the politicians and their clients in the public sector. *And the people won.*

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## BUREAUCRATIC NIGHTMARE: THE MYERS TAX CASE

by Marco den Ouden

The average Canadian still clings to the myth that ours is a kind, benevolent government that means well and values freedom as much as we do. A book that shatters that myth is *Unbridled Bureaucracy in Canada: The Bizarre Tax Case of C.V. Myers*. In it you'll discover that Revenue Canada possesses absolute authority over the lives of Canadians. Without notice it can simultaneously raid your home, office, bank, lawyer and auditor and seize all documents relating to you. It can seize and hold without due process all of your property, including your home, car, bank account, contents of safety deposit boxes and even third party property in your possession. It can arrest and jail you without notice or prior claim and demand exorbitant bail. It can prosecute you while denying you access to your assets to hire lawyers for your defense. Until recently, it could try you a second time on the same charge if you were acquitted the first time. This last, a procedure known as trial de novo, was used for the last time against C.V. Myers and has since been repealed by the government.

Charles Vernon Myers is a world renowned financial advisor, the founder of *Oilweek Magazine* and the editor of *Myers' Finance and Energy*. A longtime hard money advocate, Myers advised the buying of gold long before it was popular. At a time when it was illegal for Americans to own gold, Myers' Swiss based company, *Interpublishing Limited*, bought gold on account for American clients and stored it in the vaults of the Bank of Nova Scotia in Calgary.

In September 1974, Revenue Canada agents simultaneously raided Myers' home, office, lawyers, auditors and banks. The safety deposit boxes held by *Interpublishing* and containing \$4,000,000 in gold were sealed along with Myers' own safety deposit boxes.

Shortly afterwards, the tax men sent Myers an assessment against *Interpublishing* of almost \$900,000 in unpaid taxes. Myers sent the assessment to *Interpublishing* in Switzerland to handle and so advised the Revenue Department. *Interpublishing* advised Revenue Canada that they would fight the assessment. As far as Myers was concerned, the matter rested in *Interpublishing's* hands.

Myers chief concern was over the gold. It had been entrusted to his company by his clients and now was inaccessible to them. All Myers' protestations to Revenue Canada that the gold was third party property fell on deaf ears. In December 1974 however, the U.S. legalized the ownership of gold and the legitimate owners could now step forward and claim their property, which they did, in numbers and with threats of law suits against Revenue Canada and its agents. The Revenue Department backed down with egg on its face and arranged a compromise with the owners. They

would unseal the boxes if the suits were dropped. In May 1975, eight months after both the raid that seized Myers' documents and the assessment against *Interpublishing*, two plain clothes police officers arrested Vern Myers in the parking lot outside his office. He was charged with tax evasion in the exact amount that had been assessed against *Interpublishing*. The prosecuting attorney, Bill Major, demanded a half-million dollars bail. Bail was finally settled at \$100,000.

The four month trial was a fiasco for the Revenuers. They had no evidence that Myers received any money from *Interpublishing*. And such pillars of the Canadian establishment as the Canadian Pacific Railroad were not charged taxes on the profits of their foreign based subsidiaries until such profits were paid to the parent company as dividends. Until Myers received any profits from *Interpublishing*, they were not taxable.

The most astonishing aspect of the case was that Revenue Canada made no attempt to contact Myers to advise him that the department was holding him liable for *Interpublishing* earnings.

Sheldon Chumir, Myers' defense attorney, cross-examined tax investigator Joseph Schwendtmayer as follows:

Q. Did you ever advise Mr. Myers that you were going to tax him on this income, you were going to include this income on his hands?

A. No.

Q. You never told him that?

A. No.

Q. Did anybody from Special Investigation ever say, Myers, we are going to tax you on this income that relates to *Inter* and come in and explain?

A. No, not that I know of.

Q. Was he ever assessed on any of this income?

A. He's not assessed yet.

Q. He's never assessed a penny in these prosecution items from 1969 to 1974?

A. No.

Q. Not a penny, and he's never been asked to come in and explain?

A. No.

Q. So you have never had an opportunity to sit down with Mr. Myers, or his advisors, and find out what the circumstances were surrounding this transaction?

A. No, I didn't.

Q. You just charged him on May 5th?

A. Yes.

Q. And arrested him?

A. Yes.

*continued on page 5*

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## Bureaucratic Nightmare: The Myers Tax Case

(continued from page 4)

On April 30, 1976, Judge D.M. MacDonald found Myers "not guilty". But the taxmen were not to be defeated so easily. In an unprecedented move, Revenue Canada recharged Myers with the same offense under a procedure known as *trial de novo*. Trial de novo had been created in pioneer days when the local magistrate might be a banker or someone else unversed in the law. Its purpose was to provide a convicted person with an opportunity to obtain a new trial under a competent judge. It was never intended that the procedure should be used by the Crown to put a person in double jeopardy.

Myers, himself, did not have to personally attend the trial and declined to do so. And although no new evidence was presented, the neophyte federal judge, R.K. Holmes, found Myers guilty. On March 1st, 1977, Myers' attorney John MacPherson phoned him in Palm Springs where he was vacationing and told him the bad news. "You've been sentenced to the maximum - two years mandatory imprisonment. It's the heaviest prison term ever handed down on summary conviction."

For over a year Myers stayed in exile in the U.S., establishing landed immigrant status. Finally, he decided he wanted to end his exile and on January 10, 1979 he returned to Calgary and surrendered to the RCMP.

Further details of Myers' extraordinary story are brought out in the book. The story of how the Parole Board worked in cahoots with Revenue Canada to try and extort the unpaid alleged taxes from him (thus reintroducing into the Canadian justice system a concept long abandoned - debtors' prison) is a particular nightmare.

Just over six months after his imprisonment, Myers earned the automatic weekend passes for prisoners not considered dangerous. And on July 24th, 1979, while on a weekend temporary leave, Myers escaped to the United States. Three days later he appeared as a guest on the Merv Griffin Show where he mercilessly assailed Revenue Canada, which he calls "a cancer of deep and fast-spreading roots".

**Unbridled Bureaucracy in Canada** is must reading for every Canadian concerned with liberty in this country. At a time when constitutional debates are raging, it is essential that Canadians speak out and make certain that we are protected from such heavy-handed and tyrannical bureaucracies before it is too late.

Every politician should be made aware of the Myers case and its implications. And Revenue Canada should have its nose rubbed in its dirty work until it learns that Canadians aren't going to be pushed around like dumb beasts any longer.

**Unbridled Bureaucracy in Canada** is available to HALT members for \$2.50.

## Unpaid Tax Collectors Resign (continued from page 1)

the forms needed to set up a "voluntary" bank account in which to place the sums claimed to be owing to the government, they also refused to sanction the government's attitude and actions. In Carol's own words: "My husband told him (in this case a gentleman from the UIC) to go find out what he wanted for himself; we were too busy to do his work for him" — an essential approach to this sort of harassment.

As the string of public servants brought their visits to a close, they took the only course left open to them: they placed a demand on third party notice on two companies with which the Spreemans work, as well as on the Spreemans' bank. The latter allowed the demanded monies to be withdrawn from the Spreemans account, and in this way the government acquired the sum it estimated was owing to them for the non-contributions of the employee who had left.

(A final note on this employee: he ended up paying full income taxes UIC and CPP contributions, and failed to even score any UIC benefits. For once the government's get-it-coming-and-going policy allows us some small satisfaction.)

It is interesting that the Spreemans have not to date been approached about the missing funds for the rest of their employees. It appears that as long as reports to the income tax department are not conflicting, and as long as employees do not complain (needless to say, most are delighted with the many benefits of this system), the Revenuers are unlikely to tackle the Spreemans directly. More power to them, and less to the counter productive and officious forces that plague us.

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## Donations Required

HALT needs office equipment. Anyone wishing to donate any of the following please call.

1. Desk lamps (4)
  2. Filing Cabinets (legal size preferred)
  3. Office storage cabinet
  4. Desks (2)
  5. Book cases
  6. Waste Basket
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## BOOKS

### **HUMAN ACTION** by Ludwig von Mises

Written by the dean of the free market, Austrian school, this is the most comprehensive "treatise on economics" available today. Starting from the axiom that human action is purposeful behaviour designed to alleviate uneasiness, Mises builds an unassailable argument for the free market. The free enterpriser's Bible

*"This is the most important book on economics ever written. The person who has read and understood HUMAN ACTION commands the ammunition to blow his intellectual opponents away"*  
Mike Little

A companion volume: **MISES MADE EASIER** by Percy L. Greaves which greatly enhances one's understanding and enjoyment of HUMAN ACTION is also available.

### **THE ROAD TO SERFDOM** by Friedrich A. Hayek

Written by an eminent economist (Nobel Laureate 1974), this book presents a classic warning against the dangers to freedom inherent in social planning. Social planning based on a desire to shape the lives of others and financed by the power of taxation.

**UNBRIDLED BUREAUCRACY IN CANADA \$ 2.50**  
(Quantity discounts available please inquire to Head Office)

- HUMAN ACTION \$30.00**
- MISES MADE EASIER \$ 12.00**
- THE ROAD TO SERFDOM \$ 4.75**
- ECONOMICS IN ONE LESSON (REVISED) hb. \$12.50**
- MAN vs THE WELFARE STATE hb. \$ 5.00**
- A TIME FOR TRUTH \$ 2.75**
- THE LAW \$ 1.25**
- HOW MUCH TAX DO YOU REALLY PAY? \$ 2.95**  
Please enclose \$0.75 to cover postage and handling

Name \_\_\_\_\_

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Postal Code \_\_\_\_\_

- Please send me your complete book list (over 100 titles). I enclose \$0.50 cents  
HALT head office keeps receiving a never-ending stream of letters from the membership. Here's a sampling of what some of you had to say:

## OUR READERS WRITE

"Thank you for your May 1979 issue of "The Halter". It is a pleasure to be a member of your organization."

W.J. Craig, CLU,  
Sudbury, Ont.

"Please send me another 10 membership forms as I would like to post them up on the bulletin boards of the plants where we do maintenance work."

H.J. MacGregor,  
North Surrey, B.C.

"Although I earn my livelihood entirely from the arts, I have nevertheless signed this petition because, as I see it, you are upholding a basic democratic principle - the right of people to have a say in how their money is being spent."

Sharon Pollack, Playwright  
(addressing a HALT group)  
Calgary, Ala.

"I am very happy to join Halt for you obviously have some important things to tell our gov't."

Daniel McDonald,  
Burnaby, B.C.

"Firstly, the strong support that the HALT organizers received clearly indicates that a very large segment of the public have lost all confidence in their mayor, aldermen and civic administration. They are tired of issueless elections, conflicting policies and huge tax bills which do not resolve the problems of this city."

Fergus Anderson, from a Letter to the Editor  
Calgary Herald, September 10, 1979

"This (HALT) is without a doubt the most needed organization I've ever heard of and I wish to help this cause in any way you wish or any way I can."

Alan D'Orsay,  
Brampton, Ont.

"You have sent me to date 5 forms for HALT. If you would please send me up to 50, I assure you they won't be wasted."

Mr. & Mrs. A.J. Lecombe,  
North Vancouver, B.C.

"Saw you on T.V. and agree with what you are doing. Would like to send you more but due to high Taxes, the cost is a push. Keep up the good work."

G.H. Hall,  
Bowser, B.C.

"I wish you and your colleagues great succes in HALT, for our whole country stands to benefit if we can pressure and demand a more responsible government."

Russell H. Brooks,  
Mission, B.C.

"I think the sheet "Taxpayers' Charter" is exceedingly good and I'm having one of these framed to hang in my office. If you have them available, I would also like to receive 100 copies of "The Halter" for July 1979."

S.C. Atkinson,  
Regina, Saskatchewan