

TOWARDS IMPROVING CANADA

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Table of Contents

	Page
Foreword	2
Preface	3
Security Plan	
The Life Security Plan	5
Chart: Life Security Plan	9
One Page Tax Act	
Individual Obligations	10
Corporate Income Tax	10
Tax Administration	11
A Draft Canadian Individual Obligations Act	13
A Draft Canadian Corporate Tax Act	14
Form: Individual Obligations Return	15
Municipal Integration	16
Form: Municipal Approval Form	17
Provincial Integration	18
Form: Provincial Approval Form	19
Form: Federal Approval Form	20
Form: Corporate Tax Return	21
Form: Corporate Tax Illustration	22
Questions and Answers	23
Controlling Spending	
Explanation	25
Individual Obligations	27
Questions and Answers	30
Works in Progress	
Jobs	35
Education	36
Immigration	37
Justice	39
Environment	44
Constituencies and Wards	46
Debt Management	47
Alternatives to State Welfare	50
Constitution	59

Site Map

SITE MAP

AUTHOR

FOREWORD

PREFACE

SECURITY PLAN

The Life Security Plan Concept

Chart: Life Security Plan

ONE PAGE TAX ACT

Individual Obligations

Corporate Income Tax

Tax Administration

A Draft Canadian Individual Obligations Act

A Draft Canadian Corporate Tax Act

Form: Individual Obligations Return

Municipal Integration

Form: Municipal Approval Form

Provincial Integration

Form: Provincial Approval Form

Form: Federal Approval Form

Form: Corporate Tax Return

Form: Corporate Tax Illustration

Questions and Answers

CONTROLLING SPENDING

Explanation

Individual Obligations

Questions and Answers

WORKS IN PROGRESS

Jobs
Education
Immigration
Justice
Environment
Constituencies And Wards
Debt Management
Alternatives To State Welfare
Constitution

FOREWORD

Implementation of the ideas in this book will allow most Canadians to be serene in the knowledge that their governments fairly reflect the aspirations of the majority of responsible individuals.

It is rare that a lateral thinker is willing to articulate and refine bold new approaches that will resonate with a wide range of individuals. Dave Amonson has provided such a work and many of us will applaud.

The life security module explains how the vast majority of individuals can effectively manage their individual life security needs; leaving government to deal with the relatively rare truly needy.

The one page tax act module focuses on a simple, effective tax system where the entire government revenue from individuals is managed by a complete tax act that fits on one page!

The controlling spending module provides a powerful feedback mechanism that re-enfranchises all those individuals who have learned that they cannot make a difference.

The works in progress module contains a selection of topics crying out for improvement. Dave provides his insights without fully developing and vetting the proposals. You are invited to contribute to the refining exercise.

Only a small number of citizens are willing to invest the time and effort to produce a book that contributes to national governance considerations. I trust that you will appreciate this work as much as I did.

Have a good read!

PREFACE

Howdy, Neighbour. You are embarking on a voyage of discovery. Many will relish the thought of the trip and will return home with a good feeling and a resolution to make many similar excursions. Many will step on board with a heavy heart believing that they are leaving a comfortable, compassionate, reliable home for a new destination that is foreign to their experience and pre-ordained to provide a life of misery and woe. For the fearful folks, I hope to provide reassurance and understanding so that the new home becomes a most pleasant surprise. Besides, when you quietly analyse the thrust of my proposals, you will admit that rationality bubbles to the surface wherever you let it. While you are fearful and uncertain, friendly neighbours will provide support, but the friendly neighbours will expect you to adapt to the new surroundings and do your part to be independent good neighbours too.

Many observers focus on what is wrong with Canada. I like to be more upbeat and constructive. To that end, my proposals do not dwell on the absurdities that we can find with little effort; rather, I hope my proposals will be likened to a new commercial product that can be proudly built, packaged, merchandised, and consumed by the masses. The merchandising strategy should emphasize the good points, work hard at eliminating the weak points, pay ongoing attention to quality, continue searching for better answers, take cognisance of the views of critics, and generally strive for the acceptance of those solid citizens who are ignored by the bleating of pockets of society.

“It is . . . easy to be certain. One has only to be sufficiently vague.”

C.S. Peirce (1839-1914); *Collected Papers*, 4, 237

My parents operated a small, mixed farm where they, along with their neighbours, homesteaded a new district. Dad came with virtually nothing but a grade twelve education and confidence in himself. He was 19 years old. Mom came with her family to the district and had, as her dowry, a small packet of wheat seed. Even in 1929, these were meagre beginnings. From those few resources, my parents raised five children, developed a productive farm, coached baseball, acted as executives on church, civic, and farm boards, built roads, bridges, houses, and imposed no burden on government. While my parents are special in my eyes, the whole community was populated with people who took individual responsibility and built a thriving community out of moose pasture.

While the environment changes over time, the attitude of individual responsibility is inherent in most of us. It can blossom again if we have a system that expects individual responsibility to be the order of the day.

During my high school years, I determined to raise sheep on our family farm. I bought six ewes and a ram from a neighbour and cajoled another neighbour into hauling them home. From that nucleus and more acquisitions, I built a flock of two hundred ewes and gained valuable experience from the endeavour. While the sheep raising initiative was not earth-shaking, two incidents had a significant effect on my development.

I arranged to sell four lambs through the livestock co-operative. It was customary for the co-op to give a cash advance on the livestock when they were shipped. I got a cash advance on my lambs and waited for final payment to arrive. When the envelope came, I eagerly opened it and read the cheque. My heart stopped. The cheque had all zeroes. My cash advance had been more than the net value of the lambs sold. An accompanying letter asked for something like \$4.21 back from me. Many people honestly believe that business is all pleasure and no pain. They should try being a fifteen year-old running a sheep empire!

One day in the heat of summer, I noticed a ewe standing apart from the flock and looking peaked. I went over to her and she did not walk away as most animals would in an open setting. I decided to move her back to the barn where I could perhaps provide some medicine. I grabbed the wool on her back to steer her toward the barn and the wool came away from her back. Beneath her wool was a crawling mass of maggots. It nearly turned my stomach as I removed all the loose wool and ushered the ewe to a corral. The only suitable medicine I could find was peroxide. I poured it on the maggots and it fizzed profusely. The ewe returned to health. Each following year, after I sheared the flock, I was able to identify the different colour on the back of the maggot-infested ewe and reflect on the incident which was so vivid to my young mind.

I look back on the maggot incident and see it as a metaphor of the present Canadian situation. On the surface, Canada looks a little ragged, but many blindly assume that the underlying structure is sound. However, there are lots and lots of places in the Canadian system where the maggots are growing. I invite you to tug on the wool around you and, if maggots are found, persevere in a cure. Even though peroxide fizzes, it may provide a cure. You will likely find a more appropriate medicine. Let's at the least decide some medicine would be helpful.

As a wrap-up to my sheep herding comments, my co-workers tease me about being "Little David, the shepherd boy." I take the teasing well for three reasons: 1) I believe the sheep herding initiative started me on the road to believing in individual responsibility and independent enterprise; 2) I like to tease, so I have long since learned to take teasing in stride; and 3) I like to swim against the current, much as the biblical David took on an apparently overpowering Goliath. My hope is that my contribution to the debate about Canada's future will be a disproportionately positive contribution.

This book was prompted by a perceived imbalance that is becoming more pronounced with each passing day. The following analogy illustrates my concern.

We all grew up knowing about teeter-totters. A simple structure that provided hours of recreation for us as children. Very early, we discovered that modest adjustments in the distance from the pivot point would adjust the balance to close to equilibrium. Let's change the name of the teeter-totter to taker-maker. Further, let's assume that there is a physical stop at the far ends of the taker-maker. These physical stops are comprised of the truly needy on the taker end, and the cream of productive society on the maker end. We all recognize that there is a small percentage of truly needy which we all are fully prepared to support. This small percentage does not change much over time. On the other end, there are a few individuals who will thrive no matter how many hurdles and inequities we hurl in their path. Artificially inhibiting these folks is a tragedy which not only affects them but many around who would benefit from their initiatives.

In between the two extremes is a multitude; let's say 95% of the population. It is my hypothesis that this group, like a puddle of mercury, is presently nestled up against the "taker" end of the taker-maker. This is because we have allowed a system to develop that makes the taker end heavier than the maker end. We will disagree on how unbalanced the taker-maker is today, but the pervasive mood is that the taker end has gained substantial weight over the last forty years. This includes whole generations who now have experienced welfare as their way of life (whether or not this can be said to be their own fault). It also includes baby boomers who started out on a "kinder, gentler" path and created an inept system that will fail as they add more weight to the taker end of the taker-maker. How do we add some weight to the maker end of the taker-maker? I believe the answer lies in improving individual responsibility and reducing collective abuse of power.

“. . . a complete moral philosophy would tell us how and why we should act and feel toward others in relationships of shifting and varying power asymmetry and shifting and varying intimacy.”

Annette Baier (b. 1929); 'Trust and Antitrust', *Ethics* (1986), p.252

This is the theme of this book. Welcome to a more rational Canada!

“Man cannot survive except through his mind. He comes on earth unarmed. His brain is his only weapon. Animals obtain food by force. Man has no claws, no fangs, no horns, no great strength of muscle. He must plant his food or hunt it. To plant, he needs a process of thought. To hunt, he needs weapons, and to make weapons -- a process of thought. From this simplest necessity to the highest religious abstraction, from the wheel to the skyscraper, everything we are and everything we have comes from a single attribute of man -- the function of his reasoning mind.

“But the mind is an attribute of the individual. There is no such thing as a collective brain. There is no such thing as a collective thought. An agreement reached by a group of men is only a compromise or an average drawn upon many individual thoughts. It is a secondary consequence. The primary act -- the process of reason -- must be performed by each man alone. We can divide a meal among many men. We cannot digest it in a collective stomach. No man can use his lungs to breathe for another man. No man can use his brain to think for another. All the functions of body and spirit are private. They cannot be shared or transferred.”

Ayn Rand; *The Fountainhead*

Each individual experiences many sunsets; some more dramatic than others. The Life Security Plan allows each individual to financially prepare for the vast majority of life's challenges

THE LIFE SECURITY PLAN CONCEPT

It appears that most Canadians take a global view of our safety net. They seem to gloss over the individual in need and assume that some broad government program will work. This assumption is wrong. We need to focus on a specific individual and develop a plan with that individual. In business jargon, we need to "empower" the individual. This cannot be done at any government level. It has to be done at the individual level. My proposal seeks to provide the rudiments of a system that will facilitate the empowerment of a majority of individuals who would otherwise rely on government support.

The keys to the proposal are:

- ◆ recognize human nature exists;
- ◆ harness human nature for positive rather than negative reinforcement;
- ◆ make the valid assumption that a majority in any society are naturally responsible, given a chance;
- ◆ make the valid assumption that a majority of folks are more rational than many opinion influencers will acknowledge;

"Good sense is the best distributed thing in the world: for everyone thinks himself so well endowed with it that even those who are the hardest to please in everything else do not usually desire more of it than they possess. In this it is unlikely that everyone is mistaken. It indicates rather that the power of judging well and of distinguishing the true from the false -- which is what we properly call 'good sense' or 'reason' -- is natural equal in all men."

René Descartes (1596-1650); *Discourse, Philosophical Writings of Descartes*, trans. J. Cottingham, R. Stoothoff and D. Murdoch, I. p.111

- ◆ be sure that the alternatives to individual responsibility are significantly below the levels that capable folks will choose to follow;
- ◆ once we have dealt with the masses, we are all willing and able to provide for the truly needy.

How do we get there from here? The Life Security Plan (LSP) is my suggestion as the primary vehicle for harnessing the human nature of the masses. There are four general categories for which the LSP will not suffice:

1. The physically and mentally handicapped who cannot function independently.
2. The relatively unfortunate who were once able to meet the LSP requirements, but who have suffered setbacks that have drained all of their resources, including their LSP funds.
3. The economic underperformers who have not yet achieved the median funding required by the LSP.
4. Those who choose to default on individual responsibility.

Individuals in the first two of these categories will see the government support them at a standard acceptable to the majority of the ordinary folks in control at the time of need.

Individuals in the third category will either struggle along without formal assistance or undergo more screening with the expectation that they will either accept a non-government program to become financially independent, or they will choose to land in the fourth category.

Individuals in the fourth category make a lifestyle decision. Government support will be the barest of minima (i.e. subsistence). The individuals who stay in this category very long cannot be saved with any amount of money (because money is not the problem).

What is involved in the Life Security Plan (LSP)? The concept is that life is sprinkled with situations that need funding. Most of these needs in the first seventy years of each individual's life are periodic, unpredictable, and sometimes dramatic. In retirement years, the needs become more routine, but still haphazard. The prevalent mood in Canada has been that government must provide support for these life security needs. The trouble is that human nature gets in the way. Whenever something is free or inexpensive, the demand goes up disproportionately. Not only that, many people adopt the "everybody else does it, why can't I?" attitude. The LSP turns the table on this mentality. It says to ordinary folks:

1. You already know and accept that you are primarily responsible for home, food, clothing, and child care.
2. You are now also primarily responsible for life security as well. Yes, there will be a fall-back position, but the primary protection is your own commitment.
3. The government will provide "normal" care to those who have diligently followed the LSP guidelines, but your financial independence is dramatically reduced before the government support kicks in.

Many folks will ask, "How can I possibly afford the costs of an LSP?" The answer is twofold: 1) you need a feasible plan; and 2) if middle income folks are the bulk of the population and they can't afford it, who is going to pay for it? Oh!... rationality might play a part.

You will likely be familiar with the Consumer Price Index (CPI). The CPI is an indicator of inflation reflected by the cost of a basket of goods and services that are commonly bought by Canadians. The Life Security Plan will be modelled on a similar index called the SPI (Security Plan Index). The SPI will reflect the median cost of the basket of life security items for each year of age of an individual. From the SPI, actuaries will build an LSP curve that reflects the target amount of funds that each individual should have in their LSP for their present age from birth to, say, age 110. The actual amounts of life security costs from birth throughout puberty are very low. Individuals run into pregnancy, dental care, traffic accidents, job losses, and serious illness. Actuaries will develop a typical curve that will take into account these various episodes and still allow the individual's LSP to methodically grow to an amount sufficient to provide retirement income, nursing home care, acute care, and hospice. Note that the LSP normal curve will reflect the median costs of all these eventualities. It will not cover the highest costs that might be incurred by any particular individual. The governments' general funds will cover the extreme costs once the LSP and the individual's other resources have been exhausted.

How might a family with modest income fund the LSP's for each member of the family? This is dealt with in **the One Page Tax Act** module, but the principal is this:

- ◆ a household unit contains, say, a family of four;
- ◆ the annual income of the household is established, say, \$58,000;
- ◆ each individual files a tax return on his or her birthday;
- ◆ Mom's LSP expects her to have \$147,000 in her plan. She presently has \$143,400, so she needs \$3,600 to top up her plan to target;
- ◆ Dad's LSP expects him to have \$175,000 in his LSP. He presently has \$172,000, so he needs \$3,000 to top up to target;

- ◆ Daughter's LSP expects her to have \$12,000 in her plan. She presently has \$11,000, so she needs \$1,000 to top up her plan;
- ◆ Son's LSP expects him to have \$6,000 in his plan. He presently has \$6,000, so he doesn't need to top up his plan.

Each individual files his or her income tax return on his or her birth date anniversaries with the following impacts:

	Mom	Dad	Daughter	Son	Total
Household income	<u>34,000</u>	<u>24,000</u>			<u>58,000</u>
No. of members					<u>4</u>
Avg income per ind.	14,500	14,500	14,500	14,500	
Personal exemption	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	
	<u>9,500</u>	<u>9,500</u>	<u>9,500</u>	<u>9,500</u>	
Ind. obligation @ 50%	4,750	4,750	4,750	4,750	19,000
LSP requirement	<u>3,600</u>	<u>3,000</u>	<u>1,000</u>	<u>0</u>	<u>7,600</u>
Taxes to all levels	<u>1,150</u>	<u>1,750</u>	<u>3,750</u>	<u>4,750</u>	<u>11,400</u>

Effective household tax rate for all governments (\$11,400/\$58,000) 20%

Points to notice in the above example are:

- ◆ every individual gets the same personal exemption regardless of age, creed, sex, marital status, or any other trait;
- ◆ the individual obligation is the same for every individual in the household;
- ◆ any tax otherwise owing is reduced by the amount of funds required to bring the LSP of the individual up to the published target curve;
- ◆ any excess (up to the maximum) after the LSP has been topped up is sent to the governments as general revenues;
- ◆ the effective household tax rate is not static. It could approach 50% for a high income household with no LSP requirements. It could be zero if the LSP requirements absorbed all of the individual obligations.

One of the effective rhetorical tools of the opponents of individual responsibility is the retort "not on the backs of the poor!" The LSP and tax plans proposed here are designed to recognize the need to be rational with the poor by allowing the relatively poor to first take care of day-to-day needs, then life security needs; and only then contribute to general government funding. Those who do not meet the LSP curve expectations will be more vulnerable to the future majority decisions as to "normal" care when their LSP and other resources are exhausted and they request help from the government. Individual responsibility and peer pressure will yield dramatic positive results under the LSP concept; all health and dental facilities will be privately-owned and operated. Competition will set the fair value of these services. Whenever the government is called upon to provide individuals with these services, the market price will already be well-known. There will be talk of a two-tier system. My response is that there is already a 30,000,000-tier system in Canada, and tears should be shed for the waste in the present so-called universal systems.

Health protection is perhaps a defining trait of Canadians. To the extent we can find a feasible model, Canadians will continue to support universal health protection. The challenge is to design the health protection model so that it benefits from human nature rather than suffers from it. The Life Security Plan is proposed as a prototype for a comprehensive safety net built on the strengths of human nature. If you cannot find some rationality in the Life Security Plan, the ideas in this book are apt to be fundamentally incompatible with your views.

Some might wonder how the present systems might get integrated into the LSP model. Here are a few ideas:

- ◆ present RRSP's, RRIF's, pension plans, and the like could be transferred into the LSP model with little fanfare;
- ◆ other unrestricted savings could be placed inside the LSP;

- ◆ the present value of quasi-contractual existing programs such as OAS, CPP, EI, and WCB will be transferred into the LSP's as Special Canada Bonds (WCB would result in Special Provincial Bonds) which will be used last by the LSP owner and, if not used, will lapse at death.

Those who fare well throughout their lifetimes, or who die without major costs, will have funds left in their LSP's. These funds are personal assets which are substantially or totally untaxed.

While the definition of income will be left to the accounting profession, it is expected that the beneficiaries will have "income" equal to their share of proceeds from an LSP whether that be their own LSP or someone else's on death.

Remember that any "special bonds" issued as part of the transition to the new program would lapse on death and, therefore, not be available for inheritance.

No individual will be able to borrow from any LSP nor direct the investments of LSP's. These lending and investment functions will be done by financial institutions independent of the holders of individual LSP's.

Under no circumstances will the LSP be subject to third party claims. A specific pledge, bankruptcy, marriage breakdown, or personal guarantee will not extend to the amounts in an LSP. The financial community shall guarantee the funds including interest in the LSP's. The only way to get at the LSP of an individual is for the individual to initiate withdrawals for life security expenditures.

Mandatory Savings

"For all men are by nature provided of notable multiplying glasses, that is, their passions and self-love, through which, every little payment appeareth a great grievance; but are destitute of those prospective glasses, namely moral and civil science, to see far off the miseries that hang over them, and cannot without such payments be avoided."

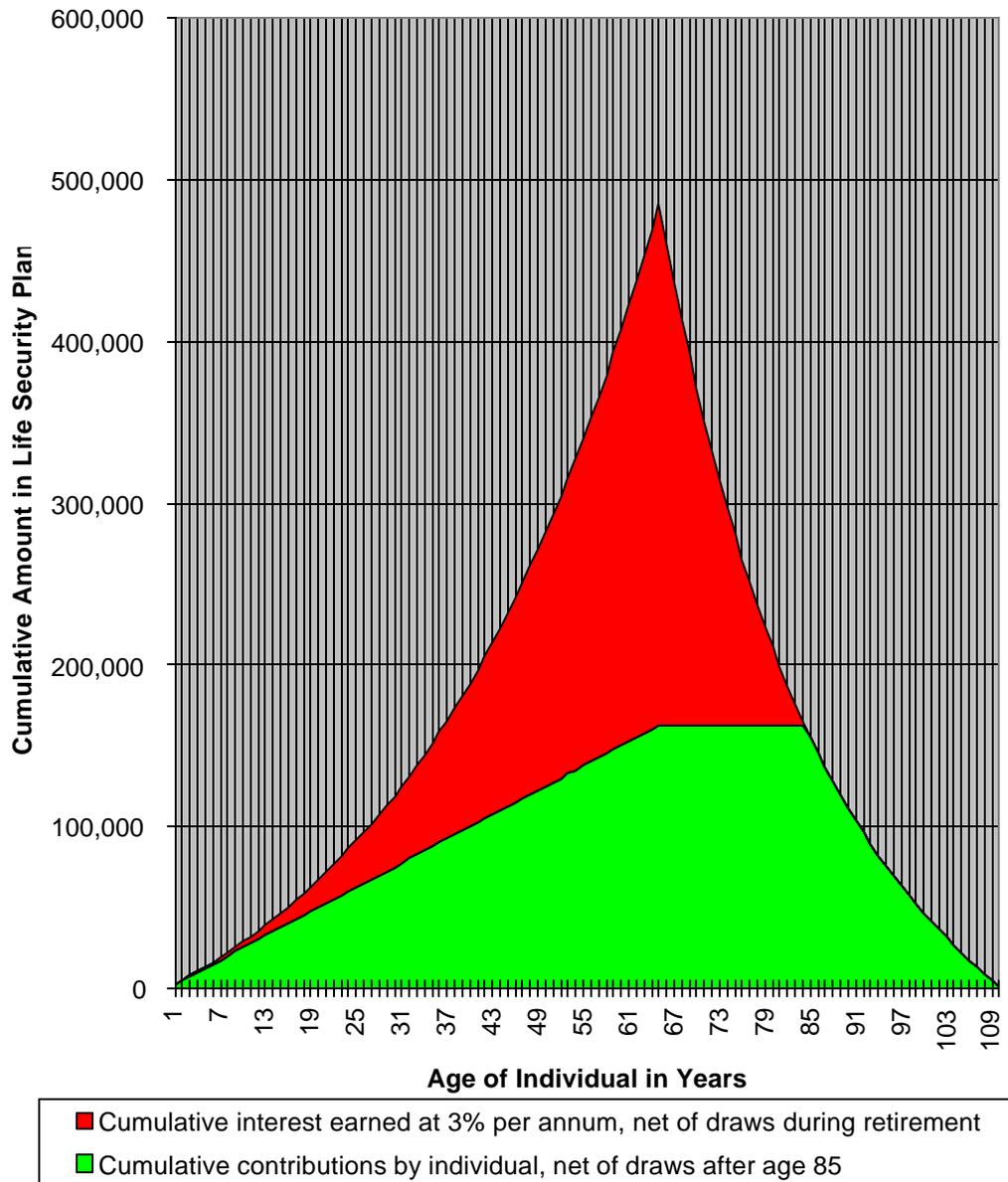
Thomas Hobbes (1588-1679); *Leviathan, English Works*, 3, p.170

An unrepentant Libertarian would reject any move to force another individual to save for future events. Starting with the premise that a majority of Canadians are not willing to let people die in the streets, this model consciously chooses to compromise the basic Libertarian ideal to find a model that will provide some broad discipline, while preserving as much individual responsibility as deemed rational.

The LSP adopts the following observations:

1. Too many individuals will live for today and not provide for the reasonable expected obligations of tomorrow.
2. When individuals fail to provide for tomorrow and tomorrow arrives, the rest of Canadians feel obligated to step into the breach.
3. Therefore, as a compromise, Canadians as a society have concluded that they should impose some level of mandatory savings on every individual consistent with the individual's ability to save.
4. Such mandatory savings shall be structured so as to preserve as much individual responsibility as deemed rational. This means that the savings shall not be removed from the individual's control, but should provide a reliable accumulation vehicle and an efficient "sober second thought" withdrawal model. While the money saved is the individual's money, the model is structured so that self-interest dictates that most individuals will choose to save rather than remit additional taxes. The key is to get human nature working for positive reinforcement, rather than counter to prudent actions.
5. The model ensures that the hierarchy of individual responsibilities is preserved. The basic hierarchy is:
 - ◆ food, clothing, shelter, child care;
 - ◆ life security;
 - ◆ basic national government;
 - ◆ municipal government;
 - ◆ provincial government;
 - ◆ federal non-basic programs.

Life Security Plan



A one page tax act for all three levels of government and life security. It can be this simple and fair!

INDIVIDUAL OBLIGATIONS

No individual shall pay more tax than the majority of individuals in the jurisdiction pay. One of the Ten Commandments is "Thou shalt not steal." Many good-hearted individuals would never dream of stealing a candy bar, but blithely encourage the governments to steal lots of money from wealthier individuals. How often have you heard "force the rich to pay their fair share!" It is a strange definition of "fair" that says the majority can steal from the wealthy because the wealthy are a minority.

A 1909 Supreme Court of Ontario judgment ruled that "the prohibition, thou shalt not steal, has no legal force upon the sovereign body." What a travesty. How many otherwise rational people agree that the state should be allowed to plunder at will? Too many in Canada. I hope to reduce the number.

If two people gang up on a third person and steal his money, we all agree that is theft. If the same two people proudly walk into a polling booth and vote to steal the third person's money, that is democracy! Does that make the two-sided polling booth two-faced? Will you allow a small degree of rationality to seep to the surface?

Many Canadians believe that the tax system needs to be changed. Good Neighbour Tax Reform introduces a fundamental change in the tax system which will lead to real democracy, which has been decaying in Canada for at least 30 years.

Every resident (or parent/guardian) will submit an annual individual obligations return on or before the anniversary of his or her birthdate. The annual return will be limited to one side of one 8.5"x11" page.

We must align government expenditures with democratic responsibility and ability to pay.

The democratic responsibility to pay can be established by the approval of the majority of residents who pay an equal amount required to balance the estimated budget.

The ability of the minority to pay must be established by a formula that is not only rational, but can be seen to be rational. A suggestion is the following: every resident individual should have individual obligations for life security and government funding commensurate with ability to pay.

CORPORATE INCOME TAX

The concept of corporate income tax of any kind violates the democratic ideal in that one vehicle that marshals resources is treated differently than other vehicles such as partnerships, unincorporated joint ventures, and proprietorships. However, there is an entrenched mindset that "expects" corporations to be taxed. Corporations do achieve limited liability for individual investors and also have traditionally not had the income automatically flow through to the shareholders for income tax purposes.

Corporate income tax policy will be changed to include the following:

- ◆ the tax rate will be 45% of the net increase in retained earnings before the tax, but after payment of dividends. Retained earnings to be the amount established under generally accepted accounting principles. The 45% rate is high enough to prevent shareholders from undertaking tax sheltering manoeuvres by leaving taxable income in the company instead of flowing it through to the individual shareholders;
- ◆ no tax refund will be paid if retained earnings have a net decrease. Corporate taxes will again be due when retained earnings next exceed the retained earnings on which taxes were last paid;

- ◆ any amounts paid to non-resident entities (including individuals) will have 25% withheld by the payer and remitted monthly to the government. This is consistent with the “normal” rate in international tax treaties, although there are many variations in rates in existing tax treaties. Since non-residents do not vote and generally do not participate in the Canadian government programs, it seems suitable to leave the tax treaty amounts undisturbed;
- ◆ corporate income tax is due on the anniversary date of incorporation and will be based on the most recent fiscal year ending at least three months prior to the anniversary date of incorporation.

This policy effectively puts corporations on an equal footing with other business organizations and ensures that non-residents currently pay a tax on activity in Canada.

Canadian resident individuals will include their share of corporate income (which has not increased corporate retained earnings) in any calculations of household income.

Every non-resident individual or other non-resident entity shall pay Canadian income tax equal to 25% of any income earned in Canada.

The non-resident is ultimately responsible for the tax whether or not the tax was appropriately withheld at source.

Every Canadian resident individual or other entity is responsible for withholding the 25% non-resident tax and remitting it monthly to the federal government.

TAX ADMINISTRATION

Every federal, provincial, and municipal government will maintain a central computer database which will be updated at midnight on the last day of each month. These databases will include the data relevant for the following month's returns.

Any individual shall have access to the computer database (not individual taxpayer information) and shall be able to generate a return to be manually or electronically filed at the individual's discretion.

Every federal, provincial, and municipal government will have a computer facility capable of recording the results in terms of tax collected and approvals of programs.

Taxes not remitted on time will incur a penalty of 2% per month, compounded monthly, and calculated on the actual number of days outstanding.

The collection efforts shall be those permitted to all unsecured creditors under Canadian laws.

Every corporation shall be assigned a federal identification number at date of incorporation.

No business shall be responsible for reporting to any government the income paid to Canadian resident individuals nor corporations. However, businesses should report to individuals the income paid to those individuals and shall keep adequate records to permit efficient field reviews.

No business shall be responsible for withholding nor remitting amounts to the government with respect to the taxes of resident employees or other residents.

Where individual taxpayers wish to periodically accumulate funds to pay their actual taxes on or before their birthdays, they shall make such arrangements outside of all government bureaucracies.

The communication of government activities and operating results is grossly inadequate. I am developing suggestions as to the desirable content of government reports. Such reports would be printed in hard copy and placed in every public library in the relevant jurisdiction for free. A database containing the published information would also be made available to any computer installation capable of internet communication (with full user-fees charged). No government would print any further free hard copies. However, the governments would expand the original printing orders to cover all copies requested and prepaid at the actual cost of printing and shipping.

Present government databases already list all individuals as to birth, immigration, death, and emigration. Virtually every Canadian resident eventually gets a "social insurance number."

The avalanche of data presently provided by individual and corporate taxpayers would be reduced dramatically.

The administration of the present tax system would be reduced by a phenomenal amount.

The indiscriminate printing and issuing of budget documents in two languages would stop.



A DRAFT CANADIAN INDIVIDUAL OBLIGATIONS ACT

(Personal Tax Act)

Every resident individual shall file a four-page return on the anniversary of his or her birthdate. Individuals under the care of a parent or guardian shall have their returns filed by a parent or guardian. The four pages in the return shall consist of an individual obligations return, a municipal approval form, a provincial approval form, and a federal approval form. The approval forms shall be those relevant to the jurisdictions containing the address of the individual.

By 8:00 a.m., Newfoundland time, on the first day of every month, every federal, provincial, and municipal government shall disclose the status and budgeted equal cost of every program administered by them in the one-page approval form for that jurisdiction.

By 8:00 a.m., Newfoundland time, on January 1, the federal government shall disclose the target Life Security Plan amounts for that calendar year for individuals from birth to age 110.

Every approval form shall indicate approval or disapproval of the generic programs by the individual (or parent or guardian). The budgeted equal cost of the approved programs shall not exceed the tax remitted for that jurisdiction on any approval form. Where less than 50% of the total population in the jurisdiction indicates approval for a program, the program shall be designated as "fading" and shall be rationally phased out after 12 consecutive months of not receiving the approval of at least 50% of the individuals in the jurisdiction having birthdays in those 12 consecutive months. No emerging program shall be implemented until 50% of the individuals in the jurisdiction having birthdays in those 12 consecutive months have indicated approval of the program.

The individual's annual obligation shall be calculated as follows: a) the household income divided by the number of individuals in the household; b) the resulting average income per individual in the household shall be reduced by the personal exemption amount of \$7,000 (plus consumer price index changes since 2000); c) the amount calculated in b) shall be divided by two. The result is the maximum individual obligation to contribute to the individual's Life Security Plan and to all levels of government.

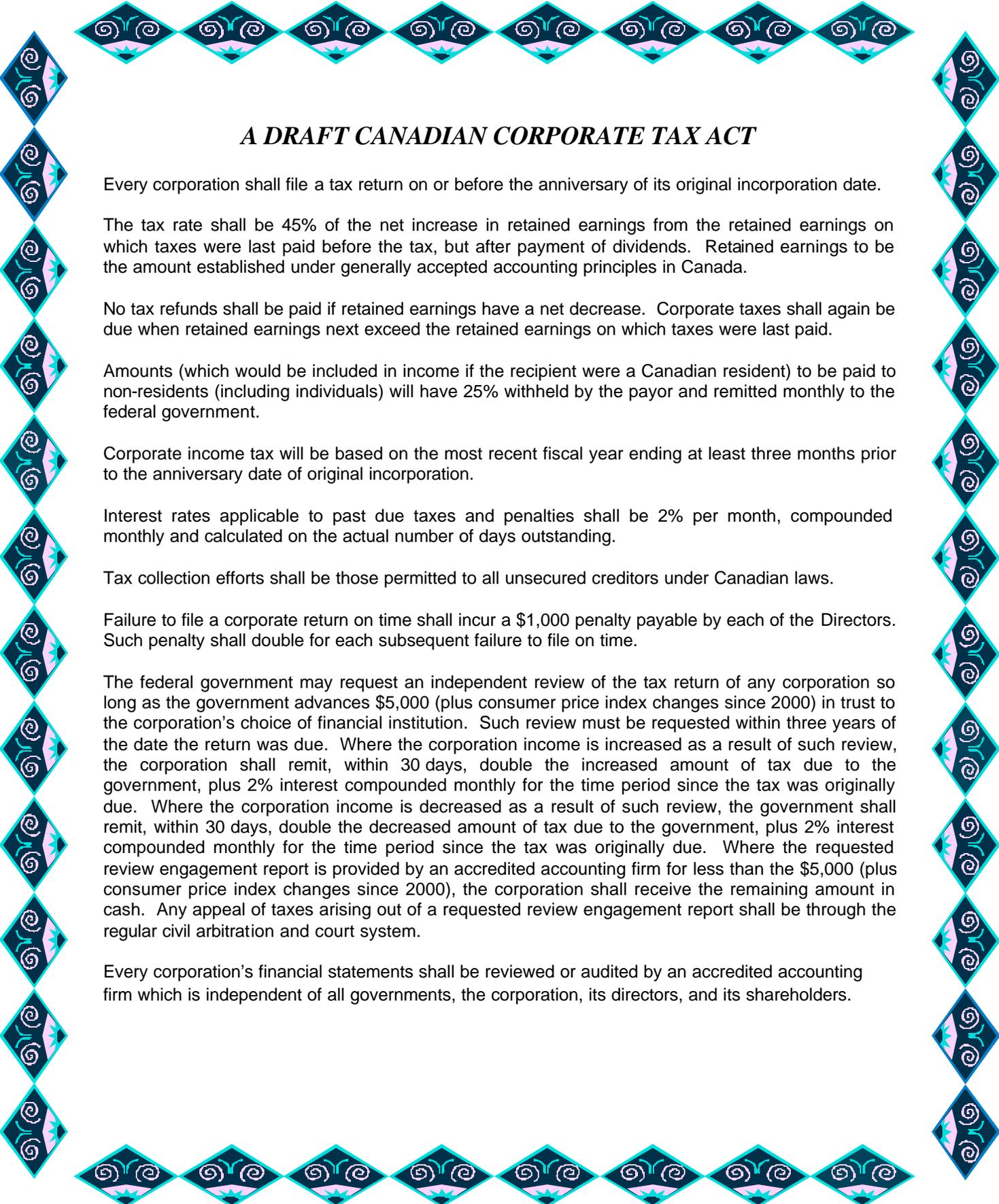
Household income shall be the amount earned in the most recent calendar year ending at least three months prior to the current anniversary of the individual's birthday. Income shall be the amount established under generally accepted accounting principles in Canada.

Amounts (which would be included in income if the recipient were a Canadian resident) to be allocated to non-residents (including individuals) will have 25% withheld by the payor and remitted monthly to the federal government.

Interest rates applicable to past-due taxes and penalties shall be 2% per month, compounded monthly and calculated on the actual number of days outstanding. Tax collection efforts shall be those permitted to all unsecured creditors under Canadian laws and shall extend to all members of the household included in the annual returns.

Any government may request an independent review of the tax returns of any household so long as no more than one requested review is undertaken for any one calendar year, and so long as the government requesting the independent review advances \$5,000 (plus consumer price index changes since 2000) in trust to the household's choice of financial institution. Such review must be requested within three years of the date the return was due. Where household income is increased as a result of such review, the household individuals shall remit, within 30 days, double the increased amount of tax due to each of the governments, plus 2% interest compounded monthly for the time period since the tax was originally due. Where household income is decreased as a result of such review, the government requesting the review shall remit, within 30 days, double the decreased amount of tax due to all Canadian governments, plus 2% interest compounded monthly for the time period since the tax was originally due. Where the requested review engagement report is provided by an accredited accounting firm for less than the \$5,000 (plus consumer price index changes since 2000), the household shall receive the remaining amount in cash. Any appeal of taxes arising out of a requested review engagement report shall be through the regular civil arbitration and court system.

Failure to file a personal return on time shall incur a \$1,000 (plus consumer price index changes since 2000)



A DRAFT CANADIAN CORPORATE TAX ACT

Every corporation shall file a tax return on or before the anniversary of its original incorporation date.

The tax rate shall be 45% of the net increase in retained earnings from the retained earnings on which taxes were last paid before the tax, but after payment of dividends. Retained earnings to be the amount established under generally accepted accounting principles in Canada.

No tax refunds shall be paid if retained earnings have a net decrease. Corporate taxes shall again be due when retained earnings next exceed the retained earnings on which taxes were last paid.

Amounts (which would be included in income if the recipient were a Canadian resident) to be paid to non-residents (including individuals) will have 25% withheld by the payor and remitted monthly to the federal government.

Corporate income tax will be based on the most recent fiscal year ending at least three months prior to the anniversary date of original incorporation.

Interest rates applicable to past due taxes and penalties shall be 2% per month, compounded monthly and calculated on the actual number of days outstanding.

Tax collection efforts shall be those permitted to all unsecured creditors under Canadian laws.

Failure to file a corporate return on time shall incur a \$1,000 penalty payable by each of the Directors. Such penalty shall double for each subsequent failure to file on time.

The federal government may request an independent review of the tax return of any corporation so long as the government advances \$5,000 (plus consumer price index changes since 2000) in trust to the corporation's choice of financial institution. Such review must be requested within three years of the date the return was due. Where the corporation income is increased as a result of such review, the corporation shall remit, within 30 days, double the increased amount of tax due to the government, plus 2% interest compounded monthly for the time period since the tax was originally due. Where the corporation income is decreased as a result of such review, the government shall remit, within 30 days, double the decreased amount of tax due to the government, plus 2% interest compounded monthly for the time period since the tax was originally due. Where the requested review engagement report is provided by an accredited accounting firm for less than the \$5,000 (plus consumer price index changes since 2000), the corporation shall receive the remaining amount in cash. Any appeal of taxes arising out of a requested review engagement report shall be through the regular civil arbitration and court system.

Every corporation's financial statements shall be reviewed or audited by an accredited accounting firm which is independent of all governments, the corporation, its directors, and its shareholders.

INDIVIDUAL OBLIGATIONS RETURN

**2000
Schedule 1**

Household Income Calculations										Total	
ID	Person1	Person2	Person3	Person4	Person5	Person6	Person7	Person8	Person9	Person10	
	123456789	234567890	345678901								
Income	30,000	70,000	14,000								(a) 114,000
	Number of individuals in household										(b) 3
	Average income per individual in household										(c)=a/b 38,000

Individual's Obligations Calculations	Person 1
Average income per individual in household (enter amount in (c) in box (d))	(d) 38,000
Exemption (standard for every individual)	7,000
	(e) 31,000
Maximum obligation (one-half)	(f)=e/2 15,500

Life Security Plan Component	
Birthdate (filing deadline is the day and month of birth each year)	07-26-52
Age in years	48
Target balance for individual aged <input type="text" value="48"/>	(g) 262,000
Present balance in life security plan	(h) 256,000
If positive enter (g) – (h); else enter zero	(i) 6,000
Amount left to pay to governments	(j)=f-i 9,500

Government Funding Component	Maximum Tax	Amount Payable	Amount Remaining
Maximum basic federal tax (enter the lesser of (j) and d(k) in box (o))	(k) 1,460	(o) 1,460	(t) 9,040
Municipal obligation (enter the lesser of (t) and (l) in box (p))	(l) 2,000	(p) 2,000	(u) 7,040
Provincial obligation (enter the lesser of (u) and (m) in box (q))	(m) 4,666	(q) 4,666	(v) 6,000
Federal obligation (enter the lesser of (v) and (n) in box (r))	(n) 150,000	(r) 1,374	(w) 9,500
	158,126	(s) 9,500	

1995 Remittances	
To First Real Trust Co (for my Life Security Plan)(enter amount from box (i))	6,000
To Enterprising Service Corp. (for distribution to the three governments)(enter amount from box (s))	9,500

MUNICIPAL INTEGRATION

The effort that is expended across the nation to establish property values and collect property taxes and business taxes is a tragedy. Not only that, it bears virtually no relationship to the goods and services provided to the entities being taxed. It does, presumably, although not assuredly, reflect “ability to pay.” Would it not be simpler and fairer to calculate the municipal tax on the same tax base used by the federal and provincial governments? It is carefully designed to reflect ability to pay. The base is already calculated. There is not a whole new set of judgments about the values of various properties and the colour of your toothbrush.

Why is there a business tax? Virtually the only real generator of wealth is independent enterprise. Businesses organize, provide jobs, provide structure, provide leadership, provide initiative, and provide enthusiasm. What does the municipality do? It taxes the business! The more you do for the municipality, the more it taxes you. This is akin to continually monitoring the kids in a class and beating on the best student whenever she shows good results. It is a clever system we have.

Individuals have a hierarchy of needs from their income:

1. Home, food, clothing, and child care.
2. Funding of their Life Security Plans.
3. Funding of government services.

The integration of the municipal tax base with the federal and provincial tax bases allows simplicity and consistency. There would be no need to debate about social engineering, whether you are Catholic or Protestant, whether your toilet faces south. The individuals in the household pay tax on the basis of ability to pay, pure, and simple.

Notice that the One Page Tax Act discusses a maximum of tax that any one individual would pay. That maximum is the amount that the top earning 50% of the people in the jurisdiction pay. This means that the majority cannot steal from the high income individual. The same rule will apply at the municipal level. No individual will be forced to pay more municipal tax than the top earning 50% of the people in the Municipality pay. This means that the majority in the Municipality cannot steal from the high income individual (who is in a minority). This reflects Strand 3 (see the Controlling Spending module) of the fence which circumscribes the authority of our Alderpersons/Councillors.

Notice that the federal approval form lists the federal programs on a line-by-line basis and shows the budgeted cost per individual of each of the programs. The same would be true at the municipal level. Of course, the individual could not vote for more programs than she submitted tax money to cover her share of the programs. This reflects Strands 1 and 2 (see the Controlling Spending module) of the fence which circumscribes the authority of our Alderpersons/Councillors. No Municipality will have more municipal programs than approved and paid for by more than 50% of the residents of that municipality. Under this model, do you believe that many municipalities would continue to fund the International Paper Maché Contest for Left-Handed Arsonists?

PROVINCIAL INTEGRATION

One may question the need for provincial governments in Canada. But this book focuses on proposals that could be implemented with little or no tinkering with the Constitution. Governments get blurred vision when they try to do more with the tax system than raise funds. You cannot have sin taxes, consumption taxes, and all the other forms of taxes without picking winners and losers. Governments should be even-handed. Therefore, my proposal is the provinces utilize the tax base used by the federal government. Furthermore, individuals have a hierarchy of needs to be funded by their income:

1. Home, food, clothing, and child care.
2. Funding of their Life Security Plans.
3. Funding of government services.

Therefore, the individual should be able to calculate his provincial tax using the same base as the federal system. The integration of the provincial tax base with the federal tax base allows simplicity and consistency. There would be no need to debate social engineering, or mood swings. The household pays tax on the basis of ability, pure and simple.

Notice that the One Page Tax Act discusses a maximum of tax that any one individual would pay. That maximum is the amount that the top earning 50% of the people in the jurisdiction pay. This means that the majority cannot steal from the high income individual. The same rule will apply at the provincial level. No individual will be forced to pay more provincial tax than the top earning 50% of the people in the province pay. This means that the majority in the province cannot steal from the high income individual (who is a minority). This reflects Strand 3 (see the Controlling Spending module) of the fence which circumscribes the authority of our Members of Legislative Assemblies.

Remember also that the federal approval form lists the federal programs on a line-by-line basis and shows the budgeted cost per individual of each of the programs. The same would be true at the provincial level. Of course, the individual could not vote for more programs than he submitted tax money to cover his share of the programs. This reflects Strands 1 and 2 (see the Controlling Spending module) of the fence which circumscribes the authority of our Members of Legislative Assemblies. No province will have more provincial programs than approved and paid for by more than 50% of the residents of that province. How sweet it is!

PROVINCIAL APPROVAL FORM

**2000
Schedule 3**

Name _____
 Address _____

 Identification number _____
 Birthdate (dd-mm-yy) _____
 Filing date (dd-mm-yy) _____
 Signature _____

RECURRING NON-BASIC PROGRAMS

Welfare for truly needy	230	<input checked="" type="checkbox"/>	230
Medicare for truly needy	300	<input checked="" type="checkbox"/>	300
Education	800	<input checked="" type="checkbox"/>	800
Ground transportation	180		
Air transportation	80		
Legislature	3	<input checked="" type="checkbox"/>	3
Annual reporting	4	<input checked="" type="checkbox"/>	4
Provincial parks	35	<input checked="" type="checkbox"/>	35
Taxation	10	<input checked="" type="checkbox"/>	10
Clean air & water	5	<input checked="" type="checkbox"/>	5
Natural resource regulation	5	<input checked="" type="checkbox"/>	5
Civil court system	10	<input checked="" type="checkbox"/>	10
Correctional services	25	<input checked="" type="checkbox"/>	25
	1,687		

EMERGING PRGRAMS

Dress up the politicians program	145	<input type="checkbox"/>
Pinto squirrel habitat endowment	16	<input type="checkbox"/>
	161	

FADING PROGRAMS

Agriculture	2	<input type="checkbox"/>
Housing	3	<input type="checkbox"/>
Economic Development	1	<input type="checkbox"/>
Sports and recreation	1	<input type="checkbox"/>
Culture	1	<input type="checkbox"/>
Disaster assistance	2	<input type="checkbox"/>
Support for aboriginals	1	<input type="checkbox"/>
Worker's Compensation Board	2	<input type="checkbox"/>
Hospital funding	3	<input type="checkbox"/>
Child and family support	2	<input type="checkbox"/>
Tourism promotion	2	<input type="checkbox"/>
Business incentives	1	<input type="checkbox"/>
Crown corporations	5	<input type="checkbox"/>
Universal medicare (except needy)	1	<input type="checkbox"/>
Universal welfare (except needy)	1	<input type="checkbox"/>
Debt servicing	618	<input type="checkbox"/>
	646	

Total budgeted amount per capita 2,333

INSTRUCTIONS

For the recurring and fading programs that you wish to support, tick the small square to the right of the program per capita amount and enter the amount to the right. Add up the per capita cost amounts of the programs you approve of and enter the total in box (a). This amount must not exceed the amount you pay to the province. Subtract your approved amount [from Schedule 1(q)] from the provincial obligations amount and enter in box (b). If this amount is negative, you must reduce your approved programs. If you approve of any of the emerging programs, tick the small square to the right of the per capita amount, but do not include the approved per capita amounts of emerging programs in box (a). Enter provincial obligations amount from Schedule 1(q) in box (c).

Amount approved by individual	a	<u>1,427</u>
Unallocated amount	b	<u>3,239</u>
Provincial obligations [Schedule 1(q)]	c	<u>4,666</u>
Maximum provincial obligation (x2)		<u>4,666</u>

Note: This is an illustration that does not reflect any actual province/territory nor any actual resident.

FEDERAL APPROVAL FORM

**2000
Schedule 4**

Name _____
 Address _____

 Identification number _____
 Birthdate (dd-mm-yy) _____
 Filing date (dd-mm-yy) _____
 Signature _____

RECURRING NON-BASIC PROGRAMS

Finance	418	<input checked="" type="checkbox"/>	418
External affairs	182	<input checked="" type="checkbox"/>	182
Transport	166		
Public works	166		
Veterans' affairs	91	<input checked="" type="checkbox"/>	91
Privy Council	3	<input checked="" type="checkbox"/>	3
Governor General	2	<input checked="" type="checkbox"/>	2
	<u>1,028</u>		

BASIC SERVICES

Parliament	16
Justice	144
Defense	611
Treasury Board	54
Immigration	60
Environment	48
Disease control	30
Taxation	60
Annual reporting	20
<u>Budgeted per capita cost</u>	<u>1,043</u>
<u>Maximum basic federal tax (times 1.4)</u>	<u>1,460</u>

EMERGING PROGRAMS

Day care	189	<input type="checkbox"/>
Job creation	251	<input type="checkbox"/>
	<u>440</u>	

INSTRUCTIONS

For the recurring and fading programs that you wish to support, tick the small square to the right of the program per capita amount and enter the amount to the right. Add up the per capita cost amounts of the programs you approve of and enter the total in box (a). This amount must not exceed the amount you pay to the federal government this year. Subtract your approved amount (Schedule 1(r)) from the federal obligations amount and enter in box (b). If this amount is negative, you must reduce your approved programs. If you approve of any of the emerging programs, tick the small square to the right of the per capita amount, but do not include the approved per capita amounts of emerging programs in box (a). Enter federal obligation amount from Schedule 1(r) in box (c).

FADING PROGRAMS

Health	660	<input type="checkbox"/>	
Welfare	660		
Employment	706		
Indian affairs	150		
Northern development	27		
Industry, science, technology	139		
Communications	96		
Secretary of State	202		
Statistics Canada	29		
Energy, mines, resources	75		
Fisheries and oceans	37		
Supplies and services	32		
Atlantic Canada Opportunity	21		
Western Canada Diversification	16		
Labour	11		
Forestry	11		
Consumer and corporate affairs	11		
Debt servicing	2,089		
	<u>4,972</u>		

Total budgeted amount per capita 6,000

Amount approved by individual	a	<u>696</u>
Unallocated amount	b	<u>678</u>
Federal obligations Schedule 1(r)	c	<u>1,374</u>
Maximum target federal tax (x2)		12,000
Concession Act tax		138,000
<u>Maximum federal tax (x25)</u>		<u>150,000</u>

Note: The readily available federal data is not formatted to reflect the preferred generic categories. This form starts with the federal fiscal year 2000 budget data and assumes a population of 29,000,000 residents.

CORPORATE TAX RETURN

Company name	Drive To Make A Buck Company		
Company address	Suite, Street, Town, Province		
Corporate access number	123-456-789		
Filing date (anniversary of incorporation date)	April 17, 2001		
Fiscal year end (ending at least 3 months prior to anniversary date)	December 31, 2000		
	Per Financial Statements	Tax Calculations	Before Tax
Retained earnings, December 31, 1999	0	0	0
Income (loss) before income taxes	100,000		100,000
Dividends paid	-20,000		-20,000
Income taxes for this fiscal period (at 45% of increase)	-36,000	36,000	
Retained earnings, December 31, 2000	44,000	36,000	80,000
Remittance (to Enterprising Service Corp. for corporate taxes)		36,000	

CORPORATE TAX ILLUSTRATION

Year 1	Per Financial Statements	Tax Calculations	Before Tax
Retained earnings, beginning of fiscal year	0	0	0
Income (loss) before income taxes	100,000		100,000
Dividends paid	0		0
Income taxes for this fiscal period	-45,000	45,000	
Retained earnings, end of fiscal year	55,000	45,000	100,000

Year 2	Per Financial Statements	Tax Calculations	Before Tax
Retained earnings, beginning of fiscal year	55,000	45,000	100,000
Income (loss) before income taxes	80,000		80,000
Dividends paid	-90,000		-90,000
Income taxes for this fiscal period	0	0	
Retained earnings, end of fiscal year	45,000	45,000	90,000

Year 3	Per Financial Statements	Tax Calculations	Before Tax
Retained earnings, beginning of fiscal year	45,000	45,000	90,000
Income (loss) before income taxes	310,000		310,000
Dividends paid	0		0
Income taxes for this fiscal period	-135,000	135,000	
Retained earnings, end of fiscal year	220,000	180,000	400,000

QUESTIONS AND ANSWERS

During the development of the Good Neighbour Tax Plan, several questions were raised which deserve coherent answers.

Q: The Good Neighbour Tax Plan calls for a cap on personal tax paid by any individual no matter how wealthy. This seems to violate the common view of "fairness." Why do you advocate the cap?

A: The short answer is the Commandment "Thou shalt not steal." The more complete answer lies in the area of fundamental justice. Canadians generally believe in property rights. They sometimes falter in expropriation situations, but they fundamentally accept the protection of property rights. But, when it comes to an individual's cash property, many Canadians deteriorate to looters, and they earnestly believe that the majority can legitimately steal from the minority because the minority have the ability to pay! Can you imagine a conventional robber stealing from someone who does not have what the robber wants to steal? One reason why the Canadian progressive tax system is allowed to happen is the diminished utility that the owner of wealth places on his own wealth. However, stealing from an owner who is not as concerned is still stealing.

There is another justification for capping the tax that an individual is forced to pay. That is the concept of "majority rules." If you analyze this democratic concept, you will see that the majority has to accept an equal responsibility for the results of the majority decisions they make. As soon as a majority decides to confiscate the property rights, including cash, of a minority, you have theft, not democracy.

Q: The Good Neighbour Tax Plan seems to have used a different philosophy at the lower end of the income spectrum where it concedes a personal exemption to establish the individual obligations of individuals. Why has the philosophy changed?

A: Each of us has poured liquid from a container. When the container has lots of liquid in it, it pours copiously. As it nears empty, the flow slows and eventually stops. If you try to collect a major amount of cash from a low income family, you will end up draining the container. The low income earner is better encouraged if the higher income earners pay more tax so that the lower income earner can better carry out the rest of his or her responsibilities. Each individual should be expected to pay a rational portion to fund government, but the amount must coordinate with ability to pay.

Q: The Good Neighbour Tax Plan advocates the same personal exemptions for every individual regardless of age, health, or family situation. Why was this policy chosen?

A: A plan needs a few cornerstones on which the structure is built. One of this plan's cornerstones is the individual. Everywhere that I could, I used the individual as the entity to focus upon. Each individual needs the essentials of government; each individual needs a level of security; why not use the individual as the primary focus? Much rhetoric concerns the "common man," "the little guy," the "ordinary Canadian." None of these people exist. There are only individual Canadians.

The Canadian Charter of Rights and Freedoms professes to protect the rights of the individual. In this regard, the Charter has my whole-hearted support.

I have had some critics suggest the Good Neighbour Tax Plan encourages large families because of the \$7,000 exemption for every child. The exemption translates into a modest tax saving per year for every child. This economic incentive by itself is not enough to convince most individuals to bring another child into the world. On the other hand, it ought to be enough to allow a couple who are otherwise prepared to have a child to go ahead without quite as much financial burden.

Q: The Good Neighbour Tax Plan appears to wipe out the myriad of taxes Canadians have learned to live with (i.e. GST, property tax, business tax, provincial sales tax, workers' compensation premiums, and sin taxes). Why do you believe that one tax base is superior to the existing systems?

A: The answer has several parts:

1. Any system that evolves over time with changing philosophies, personalities, and media attention, develops ad hoc solutions to the problems of the day. Once those systems are in place, resistance to change makes them hard to replace. That is one reason to adopt a global change so the small vested interest changes do not become overly important issues.
2. There has been a major bias toward social engineering over the last several decades. There is some evidence that tax policies do reduce "bad" behaviour, but the price is very high; too high in my opinion.
3. There is argument that many kinds of taxes widen the tax base. However, this is clearly not true. The tax base is the Canadian economy. All we need is a method to decide what the majority want to pay for, and then a method to collect the taxes to pay for the programs, while recognizing ability to pay. Property taxes, business taxes, GST, excise taxes, and sin taxes are not good indicators of ability to pay.
4. The administration involved in a myriad of taxes is prohibitive. Simple, overall tests of ability to pay, combined with a fence around governments' playing fields, will yield profound, positive results for Canada and its people.
5. Individuals have more peace of mind when they can understand the workings of their governments. I defy anybody to show that they totally understand all about the existing Canadian tax systems.

**Many believe that representative government in Canada needs a fence around it.
This module describes an effective fence that will resonate with responsible
individuals.**

CONTROLLING SPENDING

You might infer that my personal philosophy is towards lots of individual responsibility and independent enterprise, and towards relatively little state interference. This is my bias. However, I do not seek to impose my bias on the masses. I merely seek to point out how the majority can adeptly direct the state's involvement. Under my proposals, there is ample room for all philosophies and political views to be expressed and merchandised. But there is dramatically less room for special interest groups to impose government intervention on the reluctant majority.

The British democratic model has lots to recommend it, and I propose that most of the model be left in place. However, representative democracy breaks down when elected representatives venture beyond intended territory. Their authorized territory can, and should, be a point of debate. Some believe that this is for the electorate to decide, but it is apparent that periodic elections do not effectively "chunk" the policies of each major Party to allow voters to provide effective guidance once the ruling Party is decided. For purposes of this book, I have circumscribed their territory with three strands on the fence. Each strand has a binding purpose.

- Strand 1 Each level of government shall not spend more than it receives. Tax revenues are trust funds which are not to be overspent.

- Strand 2 The majority who fund programs shall have the say on which programs will be maintained.

- Strand 3 No individual shall be forced to pay more tax than the majority of individuals in the jurisdiction pay.

Strand 1 stipulates that no government ever budgets to run a deficit. The standard rebuttal is that deficits are good in a recession economy. Who is gullible enough to believe that governments are smarter in a downturn than they are in any other segment of the business cycle? Furthermore, once a deficit of any amount is tolerated, Strand 1 is not just stretched, it is broken. We must not let our fence fall into disrepair. It needs all three strands.

Strand 2 requires majority approval (by those who pay) on a program-by-program basis. This begs the following questions:

1. How do you get majority feedback on a program-by-program basis?

2. How do you know that the majority understands what each program accomplishes?

These questions are answered in the **one page tax act module**, which describes an Individual Obligations Act, and in this **controlling spending module** which describes Approval Forms for the three levels of government to be completed by each individual, and a method to focus the attention of the majority on each program as it is exposed to discontinuance.

Strand 3: no individual shall pay more tax than the majority of individuals in the jurisdiction pay. One of the Ten Commandments is "Thou shalt not steal." Many good-hearted individuals would never dream of stealing a candy bar, but blithely encourage the governments to steal lots of money from wealthier individuals. How often have you heard "force the rich to pay their fair share!" It is a strange definition of "fair" that says the majority can steal from the wealthy because the wealthy are a minority.

A significant initiative in the Good Neighbour Spending Reform Plan is the ability of every resident to indicate the generic groups of government spending programs that the resident both supports in principle and is able and willing to pay for in

fact. This does not eliminate the role of the elected representatives, but it does put a "fence" around the groups of programs governments can sustain.

You will likely find areas in the proposal that you think will require refinement. Many concerns have already been addressed, but I recognize that there will be lots more.

As you study this chapter, consider how well the Good Neighbour Spending Reform Plan responds to many of our complaints about the existing system:

- ◆ the system doesn't work!
- ◆ we don't have a say!
- ◆ get the government out of the economy!
- ◆ lobby groups have too much influence!
- ◆ government expenditures occur with very little public support!
- ◆ the quiet majority has no mechanism to effect change!
- ◆ the individual can't do anything!
- ◆ we have four-year dictatorships in Canada!
- ◆ there are too many hidden taxes!
- ◆ there are too many hidden expenditures!

"A crowd . . . in its very concept is the untruth, by reason of the fact that it renders the individual completely impotent and irresponsible, or at least weakens his sense of responsibility by reducing it to a fraction."

Soren Kierkegaard (1813-1855); *The Point of View for my Work as an Author*, trans. W. Lowrie, p.112

In these complaints, we see the decisions of a collective few overpowering the wishes of many individuals. The Good Neighbour Sending Reform Plan corrects most of the flaws in the present system. It obligates every resident to complete an annual return on or before his or her birthdate, and shifts the power to the wishes of the majority on a line-by-line basis. This is an improvement over periodic referenda because it is cost efficient, it makes the task of various lobby groups very formidable, and it is automatic. In fact, it puts major chunks of decision-making into the hands of the quiet majority, who will, for the first time, have a strong, effective voice.

The substance of the proposal can be summarized in the following statements:

- ◆ all levels of government must be precluded from budgeting peace-time deficits;
- ◆ all levels of government shall be required to retire all existing debt over a 25-year period;
- ◆ all residents must be allowed to indicate their approval or disapproval of generic groups of government spending programs on their annual returns, and such majority indications shall be binding on the governments;
- ◆ as a goal, all mandatory government programs should be wholly-funded from personal taxes.

Most rhetoric directed at government inadequacies contains no viable alternative to the existing system. For example, tax and expenditure limitations are too cumbersome, confrontational, and ad hoc to achieve the steady control required. The Good Neighbour Spending Reform Plan is a viable alternative.

Canada has evolved as a peace-loving, compassionate, generous, cooperative country. This reputation appeals to the vast majority. The mindset that permitted the above evolution has led to a natural tendency to erode self-reliance and individual responsibility. This cannot be democratically controlled unless a majority of the population is willing and able to pay an equal price for government programs.

The spending policy described in this paper provides a method of controlling government that preserves the role of the elected representatives (and Senators) and imposes a workable "fence" around the field within which the governments must operate.

The essential ingredients of the "fence" are: democratically-elected representatives can establish policy, provide leadership, provide a forum for useful debate, and provide education about issues, but they must include a stewardship function; the government must not spend what it does not have; there shall be no peacetime deficit; government sources of revenue shall be limited to a combination of voluntary participation in programs and revenues generated by the Good Neighbour Tax Plan.

The above essential ingredients can be effectively instituted into a workable tax structure as outlined below:

- ◆ government revenue for a given year will be established as follows: estimated program revenues (from voluntary programs); plus estimated corporate income tax; plus estimated non-resident income tax; plus estimated personal tax revenues. Municipal and provincial governments will not have access to any portion of corporate nor non-resident taxes;
- ◆ such revenue will be sufficient to cover the estimated costs of all active programs. It will also be sufficient to amortize the historical cumulative deficit over 25 years with blended principal and interest payments, plus the last year's actual deficit, plus a cushion equal to last year's deficit.

Every individual is equal under the law. Therefore, every resident should pay an equal tax under the law. This is recognized to be impossible since a portion of the residents cannot, because of circumstances, pay anything, let alone an equal amount. However, there is a base point which is universally accepted as a democratic principle: that is, "majority rules." Under this concept, if a majority are not willing and able to pay an equal amount for a program, then the majority rules that the program will not continue.

Where governments provide services to the less fortunate, it is out of a sense of compassion and fair play, not out of an inherent right of the less fortunate.

A spending system should have the following objectives:

- ◆ to provide a stable, predictable environment for the population;
- ◆ to foster individual responsibility and initiative;
- ◆ to recognize that all citizens are equal before the law and democracy will only work where the net costs of programs are supported by more than fifty percent of the residents;
- ◆ to minimize the structure required to achieve appropriate government funding.

INDIVIDUAL OBLIGATIONS

Every resident will submit an annual tax return on or before the anniversary of his or her birthdate. The annual return will be limited to one side of four 8.5"x11" pages, as described in the **one page tax act module**.

- ◆ the first page will be the Individual Obligations Return (Schedule 1);
- ◆ the second page will be the Municipal Approval Form (Schedule 2);
- ◆ the third page will be the Provincial Approval Form (Schedule 3);
- ◆ the fourth page will be the Federal Approval Form (Schedule 4).

In addition to showing the amount of personal tax actually being remitted, each individual shall show approval or disapproval of each and every generic program category on the three approval forms. Approvals of programs shall not be honoured if the cumulative budgeted equal costs of the approved programs exceed the amount remitted. This precludes any individual from indicating approval of programs for which the full equal budgeted cost of the approved programs is not remitted by that individual.

“I know of no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion.”

Thomas Jefferson; from *Against the Current Trudeau*, p.76

“Good sense is the best distributed thing in the world: for everyone thinks himself so well endowed with it that even those who are the hardest to please in everything else do not usually desire more of it than they possess. In this it is unlikely that everyone is mistaken. It indicates rather that the power of judging well and of distinguishing the true from the false -- which is what we properly call ‘good sense’ or ‘reason’ -- is naturally equal in all men.”

René Descartes (1596-1650); *Discourse, Philosophical Writings of Descartes*, trans. J. Cottingham, R. Stoothoff and D. Murdoch, I. p.111

“. . . amongst men, there are very many, that think themselves wiser, and abler to govern the public, better than the rest; and these strive to reform and innovate, one this way, another that way; and thereby bring it into distraction and civil war.”

Thomas Hobbes (1588-1679); *Leviathan, English Works*, 3, p.51

“All our knowledge falls within the bounds of possible experience.”

Immanuel Kant (1724-1804); *Critique of Pure Reason*, trans. N. Kemp Smith, A 134/B 173

Where individuals have not yet demonstrated voting awareness, or otherwise require the services of a parent or guardian, then the parent or guardian is responsible for completing the personal tax return and remitting the appropriate tax.

There are four categories of government programs. These categories are discussed in the following paragraphs.

BASIC NATIONAL SERVICES are those services which provide the stable, predictable environment which is central to freedom in a democratic society. They could include: parliament, justice, police, defence, monetary system, immigration, environment, communicable disease, taxation, annual reporting. These basic services will be provided without reference to resident approval because they represent the essential ingredients of a stable, democratic environment and are the legitimate focus of representation by population government.

FEDERAL NON-BASIC COMMITMENTS include those services which the elected representatives have passed, and where more than 50% of the residents in the jurisdiction have indicated within the last year that they both approve of the program, and have paid a budgeted equal amount necessary to balance the budget for that program. Recurring programs occur at the federal, provincial, and municipal levels.

FADING PROGRAMS include those services which the elected representatives have passed, and where the program has previously been a non-basic commitment (recurring program), and where at least 50% of the residents have indicated within the last year that they do not approve of the program. Fading programs occur at the federal, provincial, and municipal levels.

EMERGING PROGRAMS include those programs which the elected representatives have passed, but where at least 50% of the residents have not yet indicated that they approve of the program. Emerging programs occur at the federal, provincial, and municipal levels.

Critical to a democracy is the premise that every informed citizen has a vote. Also critical to a democracy is the need to ensure that a vote carries with it a responsibility to share equally in the obligations inherent in the items voted upon. Canada has ignored the responsibility aspect of democracy and has reached the point where the government is stealing from the minority, and the government is spending funds which it does not have. Both of these are immoral and, if done individually, illegal.

We must align government expenditures with democratic responsibility and ability to pay.

The democratic responsibility to pay can be established by the approval of the majority of residents who pay an equal amount required to balance the estimated budget.

The ability of the minority to pay must be established by a formula that is not only rational, but can be seen to be rational. A suggestion is the following: every resident individual should have individual obligations for life security and government funding commensurate with ability to pay.

Each resident (or parent or guardian) will file an annual return on or before the birthday of the relevant individual.

Residents (or parents or guardians) will show approval or disapproval of every generic program currently on the return. However, the total of the approved programs' full budgeted costs per individual cannot exceed the total amount remitted. If it does, the entire approvals on that return will be ignored for purposes of showing legitimate support for the programs.

The approval or disapproval on a given individual return will be effective for one year.

For "non-basic (recurring) programs," if approvals fall below 50% in a given month, then the program will be moved to the "fading" program category. When a program has experienced approvals below 50% for 12 consecutive months, it will be dropped from the return and the program will expire in one year from the date it was removed from the return. Any shortfalls in the budget for dropped programs will be added to the current year's actual deficit to be covered in the following year.

For an "emerging" program, approvals must be more than 50% for 12 consecutive months, at which time the program will be moved to the "recurring" programs category. That is also the time that the program actually begins providing services and collecting revenue.

QUESTIONS AND ANSWERS

During the development of the Good Neighbour Spending Plan, several questions were raised which deserve coherent answers.

Q: *Why have you taken initiative in trying to change the Canadian political system?*

A: It is discouraging to see a system that penalizes the producers and rewards the failures. Not only is the cancer present, but it is spreading.

Q: *Are you not concerned that the "ordinary person" will get hurt?*

A: There is no "ordinary person." There are only individuals. I believe it is fundamental that each individual should take responsibility for his own life. When an individual reaches an intolerable set of circumstances, there are apparent ways to proceed:

- ◆ if the circumstances result in physical or mental inability to be self-supporting, then the Canadian way is to provide a reasonable environment, **the cost of which is to be shared equally by a majority of residents;**
- ◆ if the circumstances result in temporary inability to cope, such as in the case of a teenage single mother, a divorced parent with children, or a misguided lifestyle, **then the individual has to make a serious decision, either, "I will adopt a path to regain or achieve self-sufficiency," or, "I will become a hermit."**

No government can be expected to provide an acceptable lifestyle to an individual who will not take responsibility for his or her own life.

Where the individual makes a genuine commitment to regain or achieve self-sufficiency, then our social policies have to be refined to the point where the rewards are directly related to the individual's progress toward self-sufficiency.

Where the individual fails to make a genuine commitment or fails to achieve reasonable progress toward self-sufficiency, the government will provide the barest level of support for food, clothing, and shelter.

Q: *With your Good Neighbour Spending Plan, there could be massive unemployment as the government programs fade out of existence. Isn't this a ridiculous way to treat a large group of Canadians?*

A: I do not think it is ridiculous. In fact, I think it is rational. Let me explain.

First of all, logic says that each program can be supplied in an efficient manner. Therefore, if someone wants the service, and it is efficient, it can be privatized without undue unemployment. However, if it is inefficient, or if few people want to pay a fair price for the service, it is clear that we can't get rid of it fast enough.

If a program is found to have thin support, then rationalization is important. Calgary experienced a classic case of a very large residential home-builder which failed during the recession in the early 1980's. Out of the ruins, several trades people, supervisors, clerical staff, and the like found other avenues of endeavour. Some started their own businesses, some found other employment, some started families, and, presumably, some did not adapt. But the situation was rationalized and the vast majority of the individuals did take responsibility for their own lives and made the adjustments they considered appropriate. Government workers cover a wide range of ability, education, age, and motivation; however, they cannot be considered to be the "low end" of a cross-section of workers in Canada. Therefore, we can assume that they also can be integrated into a system that is more rational.

If the municipal, provincial, and federal approval forms indicated a high proportion of "fading" programs as soon as the plan was implemented, then a rational transition policy might include the following:

- ◆ a total freeze on hiring any employees anywhere in any Canadian government;
- ◆ encouragement for employees in apparent fading programs to find other employment during the fading period;
- ◆ leveraged buy-out schemes for employees to privatize their programs where the financing is not provided nor guaranteed by any Canadian government;

- ◆ as a fall-back position, the fading programs could stay fading longer than the suggested 12 months to the extent that the total number of government employees does not fall faster than, say, 20% (annually) of the original number of government workers when the new plan was implemented.

Q: *Canadians seem to have a particular soft-spot for the underdog. How does the Good Neighbour Spending Plan accommodate this mentality?*

A: I see the underdog in two lights. The most appealing is the underdog who is genuinely committed to improving his position. For this kind of underdog, the plan is infinitely superior to the present system which blind-sides initiative at every turn.

The least appealing underdog is the one who projects the image that he is the recipient of every bad break in the book. While many people are the victims of broken homes, irrational parents, and ineffective education, they must stop in their tracks and say, **"I am primarily responsible for my life from here forward."** To the extent individuals will do that, the social systems can be targeted and will be supported by the majority of Canadians. This kind of social system does not take an army of bureaucrats, rather it will be most successful if the system integrates the individuals who need temporary support with people who already have the **individual responsibility** mentality. Unfortunately, the least appealing underdog is the one who excels at tear-jerker stories for mass consumption.

Q: *A favourite political tactic is to accuse opponents of a hidden agenda. What is your hidden agenda?*

A: I have trouble enough getting one agenda in focus; let alone a hidden one!

Seriously, I very much wish to present the complete, straight goods. Throughout the development of this plan and the decisions to present it to the public, there were recurrent suggestions to piece-meal it and "manage" the public. I do not like that strategy. I want to present what I think is a rational, sane, bold initiative for Canadians and address each concern as it surfaces. While my personal philosophy is Libertarian, I do not object to government programs that are supported consciously and funded equally by a majority of Canadians.

Q: *The Good Neighbour Tax Plan seems to fly in the face of the New Democrats' platform. Do you think the general public will accept your plan?*

A: I think your description hits the New Democrats three feet too high! I believe the plan emasculates the NDP platform! But it performs the operation in a painless way because a majority of the New Democrats' "common people" are the very individuals that will indicate that they do not want the program(s) (or at least, they don't want to pay for the program(s)).

Q: *The media should have a field day with the plan. You say it is "bold" and "rational." They might say it is "stupid," "naive," "does away with a hundred years of progress," "puts desperate mothers on the street," and many other things which could defeat the plan. How do you react to the potential for mass media criticism?*

A: I request that the media consider the following suggestions:

- ◆ first, adopt a mindset that will allow them to analyze how to make the plan work, rather than how to destroy a potentially good system;
- ◆ second, start preparing their reports early enough so that they can absorb the thrust of the logic before praising or condemning it;
- ◆ third, ask for clarification if some element is of importance to their enquiry. While I have to earn a living, I am willing to commit time to this project. I will try very hard to promptly clarify my points of view on the nuances anyone cares to raise;
- ◆ fourth, do not set out to cast me as a villain, nerd, hero, incompetent, well-meaning fool, heartless free-enterpriser, saboteur, or any other over-statement. Start out by viewing me as a concerned, rational Canadian.

By the way, I do expect some complimentary media coverage somewhere along the line!

Q: The existing recurring programs having to do with Old Age Security and the Canada Pension Plan are "sacred trusts" in the eyes of many Canadians. What comfort can individuals who have counted on these programs get from adopting the Good Neighbour Spending Plan?

A: I view the Old Age Security program as a contract with people who are well into their lifetimes. While they have not contributed separate amounts to the plan, they have contributed what was asked of them over their lifetimes. I see calculating the net present value of Old Age Security for each individual and issuing Special Canada Savings Bonds for that amount. These bonds would be used after all other Life Security Plan resources were used. To the extent any of the bonds were left at the individual's death, the bonds would be cancelled without compensation.

A similar policy should be adopted for contributors to the Canada Pension Plan, recognizing that there is an element of provincial bonds inherent in the Canada Pension Plan arrangements.

In my view, we can be relatively generous in our transition policies because there is an end in sight; the individuals involved have participated in the Canadian dream and that dream should not be shattered in the latter part of individuals' lives.

By the way, medicare, unemployment insurance, and many other programs can generate high levels of emotion. Underneath the emotion, individuals will want to be assured that they are not breaking a contract with neighbours who have legitimately counted on a given level of support. On the other hand, individuals will want to be assured that the programs committing them to expenditures for generations to come have some rational support and feasible expectation of adequate funding.

Q: Under the Good Neighbour Spending Plan, it is probable that many industry and regional incentives will fade. Will this put undue pressure on such segments as farming, exports, and research and development?

A: You have ventured into a mine-field! We get into the sacredness of the family farm, the conviction that productive research and development only occurs when you waste lots of money, the observation that some are better able to manipulate government officials than others, the conviction that government caused the problems in the first place so government should fix the problems, the conviction that politicians are better judges of how to redistribute wealth than the decisions of individuals who generate that wealth; the list goes on...

I see the transition to the new plan involving at least the following elements:

- ◆ honouring all existing contractual obligations (or negotiating terminations);
- ◆ flatly refusing to enter into any new contractual commitments that have not evolved through the **emerging** category of the new plan;
- ◆ reducing present subsidy policies by the greater of 10% per annum from the base level, and the reduction evidenced by major international competitors (or their governments); and
- ◆ setting all marketing boards, pricing bodies, and insurance schemes free from government protection and control. No business shall be required by law to participate in any binding pricing or marketing scheme. However, every business shall be required to honour the terms of any contract that the business has freely signed.

Through all of this, I believe we can be relatively generous in our transition policies because there is a sunset on the horizon and the rhetoric that can be marshalled on this topic can be formidable and could wreck the implementation of the plan.

Q: The model appears to place more tax on younger folks because the annual amounts required to maintain their Life Security Plans are generally less than for older folks. Is this a reasonable policy approach?

A: On the surface, it seems unreasonable because it causes young people who are also contending with first cars, first homes, and young families to contribute sums to government, while older folks with the same income would have a larger proportion of their obligations amount going to life security. But the model was left this way because it is an effective educator and it corresponds somewhat with the human life cycle. That is, when you are young, you make lots of long-term commitments because you have health, enthusiasm, vision, and naiveté. It is good to educate young folks on the cost of government before they get older (and hopefully wiser). On the other hand, life security

becomes more of a focus as one reaches middle age, and it is therefore logical to allow more of one's income to be set aside for the risks that have more perceived imminence.

Presumably, the actuaries will take into consideration the time value of money when setting the LSP curve and thereby allow more of the obligations of young folks to flow into their Life Security Plans.

Notice that the ability to pay criteria is still in place. Young folks would not be giving up a different proportion of their current disposable incomes, but they would be funding more current government and less current contributions to their own Life Security Plans.

Q: *Your frankness is refreshing and a little disconcerting. Why do you think politicians appear so devious?*

A: Canadians seem to have a split personality, media people included. You often hear of politicians being criticized for saying things that are perfectly true and need to be said. Instead of complimenting them for their integrity and forthrightness, we comment on how stupid they are for not hiding the true facts and saying what they think the public wants to hear.

There is another factor, too. Most of us are afraid of failure. If we state our case too clearly, we are afraid we will not be able to recover if our case is proven to be wrong. Instead, we tend to make small incremental changes which, if wrong, are not so dramatic.

The trouble with this approach is twofold:

- ◆ things keep going wrong faster than our incremental fixes are happening; and
- ◆ none of the changes are dramatic enough to get people's attention. This is why so many people conclude that "nothing can be done."

Q: *There is some support for periodic referenda (commonly referred to as TEL's, which is short for "taxation and expenditure limits," to provide legitimacy to government programs. Why have you advocated the approval form format instead of periodic referenda?*

A: One of the results of mass media is the overwhelming impact of points of view that are well-merchandised or popular in a short time period. This leads to significant lobby initiatives and sensational positions having undue impact on a large number of individuals. This, in turn, leads to less rational decisions than the decisions made day-in, day-out by individuals as they fill in their annual returns on their birthdays. It is difficult for a lobby group to affect more than half of the people every day, forever. If they do influence that many people on a consistent basis, the majority rules and real democracy works. Furthermore, referenda or any periodic election tends to be a popularity contest where the personality, appearance, and presence of the key players tend to overshadow the substance of the programs under discussion.

As a final consideration, referenda cost significant resources in money, time, and disruption. This is okay every four years to elect government representatives, but it is not okay for deciding lots of issues day-in, day-out.

Q: *The Good Neighbour Spending Plan puts considerable onus on each tax-filer to make informed decisions on what generic government programs to support. Is the "ordinary Canadian" capable of making those informed decisions?*

A: There are no "ordinary Canadians;" there are only individual Canadians. Each individual gets by with an existing level of education, public awareness, income, interest, apathy, and bias. If they don't care very much, they will likely make choices that others would not make. But the plan prevents them from approving more programs than they fund by remitting their share of taxes to cover those programs. As generic programs that have been mainstays show up in the **fading** category, publicity will focus on the components within that generic category. Politicians and the media will discover which individual programs within the generic category will receive support and which ones won't. Presumably, the government will make the changes required to segregate the popular programs from the unpopular ones. Under no circumstances should the approval form for each government extend to more than one side of one 8.5"x11" page.

Q: You have ranked the generic programs into four categories: basic, federal non-basic (recurring), fading, and emerging. Your plan is quite clear on the federal non-basic (recurring), fading, and emerging categories, but there seems to be some more critical considerations involved in the "basic" programs. Could you comment on the criteria which make some programs basic?

A: Once you get past the hazy logic common in political rhetoric and editorials, you find that Canadians believe in a "rational self-interest" mode where people generally "live and let live." However, we want to be assured that our security of person and property is adequately protected. This involves a police and a justice system that protects each of us from force initiated by others. On an international scale, we want to be assured that we have a defence system, too. Beyond these basics, we want to have a Parliament, a monetary system, and some ability to communicate with foreign states. I have not articulated the precise criteria that should be used to define the "basic" programs that are best suited to Canada. However, I strongly believe that we should concentrate on keeping the criteria very stringent so that the basic programs really are basic.

Q: With your obvious interest in a more sane government, why have you not been more prominent in an existing political party?

A: My recent business experience has provided more exposure to government, lawyers, and sophisticated businessmen. Only recently have I convinced myself that I have something useful to say. On a private basis, my partners, family, relatives, clients, and both friends have all grown weary of hearing my ideas. But they have been a useful filter in that they have helped refine the raw ore into something that I am now willing to expose to wider public review. Most people around me have resigned themselves to the view that **nothing can be done**. This is most discouraging because these people are clearly in a position to do something. I am now ready and willing to take a more prominent role in public affairs.

Q: Given the continuing controversy over the goods and services tax and Quebec aspirations, how do you see the Good Neighbour Spending Plan developing in the next year or two?

A: There is an opportunity that this plan could capitalize upon if it gets some popular support. Federal, provincial, and municipal leaders have said, "if you have a better alternative, let's hear it." To all governments, I am saying, **"I have a better alternative and here it is."**

Q: Do you have any short quotes that people may use to capsulize your philosophy?

A: Well, my basic philosophy is:

"Individuals must be allowed to act according to their own minds unless they initiate force."

On a lighter note, three bits of advice that I like are:

"Never say 'whoa' in a bad place;"

"If you lose the right to fail, you have lost everything;" and

"You can get anywhere from here."

JOBS

The focus of my studies so far has been the **life security, one page tax act and controlling spending modules**. Those issues have been reviewed and debated at some length and I am comfortable that they are fundamentally defensible. In this **jobs module**, I turn to an issue that is important to society and I wanted to see whether I could articulate suggestions in the area that would honour my philosophy and approach to governance issues for Canada. Readers should recognize that I have decided to publish the book before the issues in the **jobs module** have been vetted and refined. There will be flaws. I know that many of you will propose significant improvements. If my initial ideas launch a productive debate, I will be pleased.

A common refrain is, “there are no jobs.” That is a lie. However, lots of folks perceive that there are no jobs. The reason they think there are no jobs is that they narrowly define what job they are looking for; in what neighbourhood, at what pay. This is not acceptable. When the primary obligation rests with the individual rather than the state, the individual will find a job somewhere, somehow, at some pay rate. It may not be ideal, but it will be better than the “safety net” will provide because the proposal is that the “safety net” will be way down at the survival level, not at the “don’t hurt my dignity level.”

The LSP (Life Security Plan) has been described earlier. For any individual who has built up an LSP, job loss means that the LSP can be eroded to provide cash flow until a new job is found. However, individuals should recognize that any erosion of the LSP will erode the amount of funds available in the future (or will need to be replaced). This will assure that a great many unemployed folks quickly find a new job so that their entire future well-being is better preserved. It is recognized that a very few will erode their LSP and trust in the compassion of others, but this is better than designing systems that encourage lots of folks to abuse the “system.”

The LSP would assemble large sums of savings across the Canadian population. This pool of funds would be available to fuel Canadian business through the pressure to effectively invest the pool of savings. Such pressure would help independent enterprise find capital for growth. I reiterate that no individual or household will be able to borrow from any LSP nor direct the investments of LSP’s. These lending and investment functions will be done by institutions independent of the holders of LSP’s.

There are impediments to job creation. The overall business environment would be significantly improved by the proposals in this book. However, one remaining impediment is the government protected ability for workers to shut down production. No entity should be forced to sign a contract and no entity should be prevented by law from procuring alternate sources of labour. It is fine for workers to organize into unions. It is fine for unions to bargain on behalf of their members. It is fine for businesses to voluntarily sign contracts with unions and/or union members. But it is not acceptable for businesses to be prevented from hiring non-union members whenever it wants; including when the union withholds services or fails to have a contract in place. This simple but profound change in labour law would dramatically improve the business climate in any province that chose to implement it.

Many folks assume that organized labour (protected by law) is the primary driver in protecting the masses from big business. It is assumed that big business would take over everything if unions were weakened. However, business needs productive human resources; the individuals who merit extra compensation will receive extra compensation. Those who bring less skill, loyalty, motivation, and integrity to their work will lose ground. What could be more fair?

The LSP removes the need for workers’ compensation schemes.

Emphasis on individual responsibility removes the need for, and desirability of, minimum wage laws.

EDUCATION

The focus of my studies so far has been the **life security, one page tax act and controlling spending modules**. Those issues have been reviewed and debated at some length and I am comfortable that they are fundamentally defensible. In this **education module**, I turn to an issue that is important to society and I wanted to see whether I could articulate suggestions in the area that would honour my philosophy and approach to governance issues for Canada. Readers should recognize that I have decided to publish the book before the issues in the **education module** have been vetted and refined. There will be flaws. I know that many of you will propose significant improvements. If my initial ideas launch a productive debate, I will be pleased.

Some relatively well-educated people believe that Canadian education needs more funding. They are wrong. It needs more results. To get more results, it needs more individual responsibility from students, teachers, and administrators. How can more individual responsibility be brought to bear? Same answers as in other human endeavours: competition, reward merit, keep knocking down hurdles. Make sure the most competent get rewarded; the least competent get less.

“It is not by wearing down into uniformity all that is individual in themselves, but by cultivating it and calling it forth, within the limits imposed by the rights and interests of others, that human beings become a noble and beautiful object of contemplation.”

John Stuart Mill (1806-1873); *On Liberty*, P.266

Many students and their parents think that school is hard. It is not hard. Kids learn easily. Let them compete and reward results. My proposal is that each Canadian baby be issued 60 education vouchers. Each voucher is to be good for three months of formal education and can be tendered anywhere in Canada. Assuming education is a provincial matter, the provinces must agree that the vouchers will be acceptable anywhere in Canada. This means that a Canadian could get 15 full years education, which could mean roughly the same education as a Masters degree or a professional degree in all except medicine. But there should be strings attached. A student must pass a course of studies represented by one voucher before receiving the next voucher. Remember, individual responsibility. Do not wait until the student is 22 and has wasted his/her vouchers before instilling individual responsibility. Make it a part of life from square one.

Where a young person chooses not to attend school or fails school and goes on to some other endeavour, the remaining vouchers will remain available for potential use sometime later in life. When the 60 vouchers are used up, no government will provide any more education or retraining to that individual.

The vouchers should be legal tender at any school of the student's (or parent's/guardian's) choice as long as it results in the student passing the knowledge requirements for that course. Uniform, nation-wide tests will subject the students to a specified level of performance that is independent of the school providing the instruction.

Education has been primarily a provincial responsibility with federal tinkering. I propose that the federal government get completely out of education.

When immigrants enter the country, they will qualify for the 60 vouchers even if they are mature and educated. Canada will make the commitment to provide 15 years of education to every person who chooses to become a Canadian citizen. However, immigrants will have some milestones to meet along the way:

- ◆ every immigrant must fund the Life Security Plan up to the Security Plan Index for that immigrant's age before being released into the Country;
- ◆ every immigrant shall receive no more than 20 education vouchers prior to earning full citizenship. The remaining 40 education vouchers will be issued as part of the citizenship ceremony;
- ◆ every immigrant shall proficiently speak, write, and understand the dominant language in the province of primary residence before earning full citizenship.

IMMIGRATION

The focus of my studies so far has been the **life security, one page tax act and controlling spending modules**. Those issues have been reviewed and debated at some length and I am comfortable that they are fundamentally defensible. In this **immigration module**, I turn to an issue that is important to society and I wanted to see whether I could articulate suggestions in the area that would honour my philosophy and approach to governance issues for Canada. Readers should recognize that I have decided to publish the book before the issues in the **immigration module** have been vetted and refined. There will be flaws. I know that many of you will propose significant improvements. If my initial ideas launch a productive debate, I will be pleased.

What biases characterize the majority of Canadians when it comes to consideration of immigration policy? I postulate that the majority of individuals consider the following:

- ◆ how compassionate can the country afford to be?
- ◆ how tolerant am I prepared to be?
- ◆ how much hassle will the immigrant cause?
- ◆ how much and how fast will the immigrants change the existing patterns in the community?
- ◆ to the extent I can live with all that, I will allow any immigrant in.

But Canadians have a predisposition to be fair to the underdog. We are, therefore, susceptible to emotional and rhetorical charges of racism, bigotry, rednecks, and hard heartedness. The question is, “how do we establish a sensible policy?” I have tried and came up with the following suggestions. I acknowledge my suggestions need more work.

- ◆ Canada will annually set a national immigration maximum;
- ◆ each municipality will annually set a municipal immigration maximum;
- ◆ Canada will maintain a first-come, first-served list of aspiring immigrants. Those immigrants will be screened for communicable diseases, life-threatening diseases, and criminal records;
- ◆ the aspiring immigrants will register as individuals or as a family;
- ◆ the aspiring immigrants will fund each of their Life Security Plans with the Canadian dollars required of their relevant ages before being released in Canada;
- ◆ the aspiring immigrants will agree to settle in a municipality that has indicated a willingness to accept immigrants as long as that municipality’s quota is not filled;
- ◆ any aspiring immigrants who agree to a municipality and then change their mind will go through a rigorous process before being allowed to relocate. Such process would involve:
 - application to the present municipality for permission to move out;
 - identification of a new municipality with remaining quota for immigrants;
 - application to the new municipality for permission to move in;
 - ultimately, the immigrant has three choices:
 - stay in the original municipality;
 - find a willing new municipality;
 - leave Canada and get the net LSP funds (including interest) back.

Notice that the policy does not mention race, creed, education, career, sex, age, or anything else except commitment to a Life Security Plan and a lack of serious health issues and criminal records. Young people have a better immigration opportunity because their LSP amounts would not be as prohibitive. Any municipality that feels insecure about the level of immigrants in general or about the level of one race in their midst could merely reduce the municipal quota to zero and accept no more immigrants until the existing population stabilized, changed its collective mind, or whatever.

How do political refugees or hardship cases get considered? It is obvious that Canada cannot even-handedly accept all the world's alleged political refugees and hardship cases that could surface. My proposal is that the first-come, first-served list is the only way to get immigration status in Canada. If you're not next on the list, you don't get in. Any other policy opens the door to abuse, misuse of power, corruption, admittance of rabble-rousers, and all the problems we Canadians find frustrating. A better contribution to solutions to world problems is the verbal (but not financial) encouragement of Canadian retirees to work among underdeveloped countries' people to demonstrate more effective ways to educate, farm, manufacture, and export. The growth of native knowledge from peasant, to pioneer, to business person is the only lasting way to improve the conditions of the masses in underdeveloped countries. Putting gobs of money, food, and drugs in the hands of governments and bureaucrats guarantees the perpetuation of corruption and undemocratic power.

JUSTICE

The focus of my studies so far has been the **life security, one page tax act and controlling spending modules**. Those issues have been reviewed and debated at some length and I am comfortable that they are fundamentally defensible. In this **justice module**, I turn to an issue that is important to society and I wanted to see whether I could articulate suggestions in the area that would honour my philosophy and approach to governance issues for Canada. Readers should recognize that I have decided to publish the book before the issues in the **justice module** have been vetted and refined. There will be flaws. I know that many of you will propose significant improvements. If my initial ideas launch a productive debate, I will be pleased.

Most individuals have an acceptable view of fundamental justice. This view is characterized by:

- ◆ do unto others as you would have them do unto you;
- ◆ the Ten Commandments;
- ◆ Desiderata.

My preferred view is that individuals should be allowed to act according to their own minds unless they initiate force.

We have allowed our justice system to drift away from fundamental justice by acceding to time delays, political correctness, plea bargaining, and different rules for different segments. The solution is a “back to basics” approach where justice is evenly applied. This chapter outlines some of the ideas that might achieve fundamental justice more often.

The Criminal Process

Underlying all justice is the principle of individual responsibility. Our system has allowed this principle to be eroded by such defenses as youth, insanity, blind rage, and drunkenness. None of these defenses are acceptable. If an individual commits a criminal offense, they must be held accountable. The only defense against a criminal charge should be innocence; period!

Justice takes too long. The Crown should have a strong criminal case before charging an individual, and then the case should be decided by the lower court within 90 days. Each appeal all the way to the Supreme Court shall be completed within 90 days. That means that a routine criminal case, which could pass through three courts would be finalized in 270 days. I know that lawyers, judges, investigators, and other observers will object to the time limits. My answer to them is “you abused the system to the point of exasperation, now mend your ways and get the job done expeditiously and without petty wrangling.” All the requests for psychological testing and other stonewalling tactics will not be effective if the emphasis is on guilt or innocence rather than state of mind. Why should neurotic criminals get more leeway than otherwise normal criminals?

Parole should be discontinued. The Courts have a range of sentences at their disposal. The Courts should consider that the sentences will be served; period!

Custody

There is concern about the economic consequences of locking up large numbers of criminals. The costs of prisons have escalated because of the following:

- ◆ the relative comfort of the prisoners is assured;
- ◆ the level of security requires physical infrastructure and high numbers of personnel;
- ◆ the prisoners are not self-supporting.

Beyond the costs of operating prisons, there is a high price to pay for segregating couples, extended families, and denying normal living conditions.

The following custodial structure seeks to provide adequate public protection with economically feasible ways to incarcerate criminals.

The structure includes three levels of custody: minimum security, medium security, and maximum security. Judges would be responsible for picking the level of security as well as the length of confinement. Remember, no parole. There is significance to the level of security for the criminals because exit from the facility before the sentence expires results in an automatic move to a facility with the next higher level of security.

What do we do with the criminal who exits the maximum security facility before his/her sentence expires? Execute him/her. This is not capital punishment, this is damage control. It is one thing to commit one or more criminal offenses that lands an individual in the maximum security facility; it is quite another when that same individual, knowing the risks, exits that facility for any reason before completing the sentence. Execution of these types of individuals is not punishment; it is a necessary requirement to limit the havoc we are willing to endure from one individual.

Many people believe that a criminal with a long sentence (including a life sentence) will be more dangerous if they have no hope. However, this definition of hope relates to the hope of some existence outside the confines of an existing maximum security prison. The facilities envisioned in this new proposal are dramatically different.

A minimum security facility would be located near urban centres where the extended family could maintain contact. There would be individual housing units for each criminal and his/her immediate family. There would be garden plots, farm animals, and manufacturing plants, as developed by the criminals. There would be no alcoholic beverages, tobacco products, or hallucinogenic drugs allowed in the complex. The facility would be laid out in a pie shape where the "town square" and any business enterprises would be centred. Radiating out from the centre would be roads and paths leading to the individual residences.

The individual residences would have an absolute minimum of facilities supplied by the government. Such minimum facilities would include concrete interior and exterior walls, floors and ceilings, with an insulated core, thermopane windows, and entrance door. The residence would have a common room and two bedrooms. No closets; no furniture; no cupboards; no carpet; no blinds; nothing but a wood burning cookstove. The residence would have a cellar which would contain a wood burning furnace, an ice house, and a root cellar. When a criminal first enters the facility, he/she would be allowed to live in a temporary residence for seven days to decide on career, location, facilities available, and status of garden plots. At the end of the seven days, the criminal may choose any unclaimed residence. From then on, he/she would be on his/her own; just like a pioneer. Individual responsibility is the guiding force. Prior to the exit of a criminal at the end of his/her sentence, the criminal may barter, give, or sell the assets built up to other inmates for whatever he/she can negotiate, recognizing that the only temporary title holder permitted will be a criminal in the facility.

The individual living units would not have electricity, running water, or sewer, unless paid for by the occupant. Instead, each group of residences would have a common facility which would include showers, toilets, wash basins, and laundry facilities. These facilities would be originally installed to high industrial standards. Day-to-day care and upkeep would be left to the local council. An adequate supply of clean water would be provided from federal government funds. While the washhouses would be supplied with electricity paid for by the federal government, there would be no access to government-funded electricity for the use of residents, beyond servicing the washhouses.

One might wonder at how the meek or inept individual would make out in such a facility. The answer is the same as in ordinary society. There will always be an uneven distribution of skills, drive, intelligence, physical, and mental capacity. When the criminal hits bottom, the same level of subsistence support available to other citizens would be provided; no better, no worse. But such support would not be attractive to anybody who has any sense of individual responsibility.

Each criminal entering a minimum security facility would be fitted with an electronic monitor built into a permanent necklace. Such electronic gizmo would be worn continuously from start of sentence to end of sentence. It will emit a signal that would be traceable from a radius of, say, 100 miles from the location of any "receiver" and the relatively exact location of the criminal will be known. The separation of the necklace from the criminal would trigger immediate emergency notice of the time and location of the separation. Existing police techniques can be used to locate and apprehend the criminal. Any violation of the security necklace or unauthorized exit off of the facility would result in automatic movement to a medium-security facility.

Visitors and family members would be free to come and go at will from the facility. Any school age children living in the facility will be bussed to the nearest school(s) as appropriate.

The residents in the facility would make appropriate use of items salvaged from the community at large. Such materials as waste from renovations, waste from manufacturing and construction projects, and abandoned clothing, should be encouraged to be assembled by criminals who are proprietors of stores in the facility. Such proprietors could barter such materials for items or services that they need or want. To the extent that non-proprietor criminals can procure needed materials or services, these can be bartered to the proprietors or to other residents. Appropriate screening of incoming shipments will be designed to restrict the entry of alcohol, tobacco, drugs, and other banned items and substances.

Policing in the facility would be done by carefully selected RCMP who have the combination of skills and personality to treat the criminals and other residents as humans and still maintain law and order.

The facility would be run by a democratically-elected Council of Residents (who may or may not be criminals). Within boundaries, the Council would have considerable authority. Such Council could deal with common washrooms, roads, noise, and community hall.

Similar guidelines would be in place for the medium security and maximum security facilities, but with enhanced levels of security as described below.

The medium-security facility would be enclosed by a fence that could not be scaled without access to physical facilities such as ladders, climbing ropes, or explosives. Electronic surveillance would be in place at all times and the gates to the facility would be arranged and manned to provide reasonable levels of protection from unauthorized exit of criminals. The criminals themselves would be fitted with an electronic surveillance gizmo on one ankle in addition to the necklace described in the minimum-security module. Same guidelines and rules apply. Any exit prior to completion of sentence will result in transfer to a maximum-security facility.

The maximum-security facility would be surrounded by a virtually impenetrable enclosure. The gates would be appropriately arranged and manned to detect criminals exiting the facility. In addition, each criminal incarcerated in the maximum security facility would be internally fitted with an electronic gizmo that would have two properties:

- ◆ it would allow the receiving of its signals for a radius of 1,000 miles and include the ability to establish the relatively exact location of the criminal;
- ◆ it would be immediately fatal to the criminal if the gizmo was removed without authorized, secret procedures under clinically acute care circumstances.

The result of exiting the maximum security facility before the end of sentence is automatic execution. This is not designed as a penalty; it is designed as ultimate control. The criminal would obey the maximum security guidelines or die. The advocates of hope will therefore be inclined to reinforce the opportunities within the maximum-security facility instead of systematically eroding the right of law-abiding individuals to be protected from proven high-risk criminals.

There will be those who are concerned about the well-being of spouses and children who accompany criminals into any of the facilities. The same rules of fundamental freedom and justice apply to such individuals whether they are in or out of a custodial facility. Physical or mental abuse will be treated the same. In some respects, the spouse will have more options because an abusive criminal spouse will be restricted in mobility, while the non-criminal spouse is free to live or go anywhere. On balance, the ability for criminals to live substantially self-supporting, useful lives while incarcerated outweighs the perceived risks to affected non-criminals who choose to associate with the criminals.

Civil Cases

There are relatively few who believe that Canada's legal system provides efficient, appropriate civil decisions, promptly and cost-effectively. It seems that two concerns are the primary villains in the slowness of civil disputes. The worst villain is the extreme politeness and accommodation that is allowed to slow down the system. The second is the obsessive concern for getting all the relevant evidence. The result of these two situations is unacceptable delay between the launching of a lawsuit and the ultimate resolution of the case.

Here is my proposed solution. Every civil suit will be put to arbitration exactly nine weeks from the day the statement of claim was filed. The applicant will have up to one week to present the case; the respondent will have up to one week to present a defense; and the arbiter will have up to one week to provide a written ruling.

Any appeal of the arbiter's ruling must be filed within 13 weeks from the date the statement of claim was filed. The appeal will be heard starting exactly 22 weeks from the date the statement of claim was filed. The appellant will have up to one week to present the case; the respondent will have up to one week to present the defense; and the judge will have up to one week to provide a written ruling.

Any appeal will go through a similar process and be completed within 38 weeks from the date the statement of claim was filed.

Any appeal to the Supreme Court will go through the same process; so every civil suit will be resolved within 51 weeks, regardless of the number of appeals. The overwhelming majority of cases will be solved at arbitration and few will go beyond the first level of court proceedings.

What about costs of the process? Civil suits are often fought between combatants of unequal means. A combatant initiating an arbitration hearing shall pay \$5,000 (adjusted by the CPI) into trust. At the end of the arbitration process, the arbiter will order the deposit to be paid to the winner.

Any appeal to the first level of court will be accompanied by a \$10,000 deposit (adjusted by the CPI) from the appellant. Such amount will be awarded to the winner of the appeal.

Any appeal to the second level of court will be accompanied by a \$20,000 deposit (adjusted by the CPI) from the appellant. Such amount will be awarded to the winner of the appeal.

Any attempted appeal to the Supreme Court will be accompanied by a \$40,000 deposit (adjusted by the CPI) paid by the appellant. Such amount will be paid to the respondent if the Supreme Court does not grant leave to appeal or issues a judgment in favour of the respondent. Of course, the appellant gets the deposit back if the judgment is in the appellant's favour.

While the arbiter's decisions will not be viewed as judicial precedents and will not be published, the Courts will take the decision of the arbiter as the key piece of reliable evidence. The appellant will be expected to provide convincing evidence that the arbiter erred in the circumstances. The idea is to be sure all potential litigants take the arbitration process seriously.

Lawyers have a tendency to name peripheral parties in any claim in the hopes that some "off the wall" argument will ultimately be useful or the hassle factor will lead to some favourable settlement. There must be some tempering of this tendency. Therefore, the \$5, \$10, \$20, and \$40 thousand dollar rules will apply to every named party in a dispute. So, if a statement of claim names 10 defendants, the aggressor is exposed to 10 times the \$5, \$10, \$20, and \$40 thousand dollar payments into trust. This is necessary to control the irresponsible dragging in of innocent parties. In addition, judges will be given leeway and encouragement to award cost recoveries to the unjustified naming of defendants to a claim.

In a similar vein, class action suits will always require the naming of the individual claimants in the class and those claimants will be exposed to the \$5, \$10, \$20, and \$40 thousand dollar deposits. All of a sudden, the launching of civil suits will have a financial impact at the front end. In this way, contingent fee arrangements will be mitigated.

How do the above proposals affect a "little guy" who feels wronged by a bigger player? First of all, he better be sure he is working with provable facts, rather than emotion or pique. Second, he will be expected to come up with \$5,000 (adjusted by the CPI) for a deposit for arbitration. Third, he needs to find an efficient and effective way to present his arbitration case. The community would quickly adapt to the needs of this kind of presentation and economical services would be available. The Courts would be instructed to rely heavily on the arbiter's decision. The little guy therefore has to win the arbitration hearing or face real stiff obligations in terms of proof and front-end funding for deposits and legal fees when he enters the civil court system.

There is a generally held view that the justice system is populated by too many lawyers. The legal profession presently provides offense, defense, judge, appeal judge, and supreme court judge. What if the legal profession is wrong or out-of-step with fundamental justice? Wrongs are perpetuated and used as precedents. To reduce the influence of lawyers, the justice system will adopt two restrictions as follows:

- ◆ no arbiters will be lawyers;
- ◆ no provincial court judges will be lawyers.

In this manner, the first and third rungs of the civil justice system would be decided by rational people who are not steeped in the finer points of law, but are well-qualified to decide on fundamental justice. The second and fourth rungs would be populated by judges who are trained as lawyers and who could provide the traditional strengths of the common law system and careful second thought to the civil justice system. The Supreme Court would be expected to be extremely loath to grant leave to appeal a decision that sided with the arbiter and the lay judge on the third rung of the system.

ENVIRONMENT

The focus of my studies so far has been the **life security, one page tax act and controlling spending modules**. Those issues have been reviewed and debated at some length and I am comfortable that they are fundamentally defensible. In this **environment module**, I turn to an issue that is important to society and I wanted to see whether I could articulate suggestions in the area that would honour my philosophy and approach to governance issues for Canada. Readers should recognize that I have decided to publish the book before the issues in the **environment module** have been vetted and refined. There will be flaws. I know that many of you will propose significant improvements. If my initial ideas launch a productive debate, I will be pleased.

While my preferred structure is minimum government, there is a place for protection of the environment. In order to get a balance between property rights and others' rights, I propose that you envision a plane emanating from the centre of the earth to the end of space and passing through the earth's crust at the property lines. To the extent that a property owner can ensure that pollutants do not leave the invisible planes mentioned above, the property owner can pollute to his heart's content. However, the instant that he pollutes, or could pollute, any area outside the invisible planes, he is subject to very stringent environmental requirements. In practical terms, the property owner must ensure that air and water outside controlled vessels must be clean. This is a more stringent requirement than industry now faces. Existing businesses should be monitored now and forced to clean the air and water emissions to clean standards in, say, five years, without exception.

The situation with habitat, renewable resources and non-renewable resources is not so clear to me. Here is my proposal for these areas of environmental control.

First, publish a schedule for the development of a comprehensive environmental plan. For example, consider a two-year plan with the following elements:

- ◆ start with an invitation for every interested party to submit its suggestions for the areas under Canadian control that should be protected. This could have an eight-month time limit before the deadline for submissions;
- ◆ a study group consisting of two members selected by each party that submitted a study (no matter how many) would then be organized into teams to digest and organize the various submissions into a coherent discussion document. Such document would have the following attributes:
 - identify the key habitats for every species of animal and plant life acknowledged by the submissions;
 - identify the cultural and historical areas acknowledged by the submissions;
 - identify any pristine areas that have so far escaped significant human influence;
 - identify a communication and transportation grid of roughly 300 kilometres in each direction throughout the country that could be utilized with minimal damage to surrounding habitat;
- ◆ present a tentative plan that would best provide for the enactment of protected areas of four types:
 - 7% of the total Canadian area as pristine preserves which would be rigorously protected from all human intervention and development;
 - 7% of the total Canadian area as federal parks which would be protected by the Canadian Federal Government;
 - 7% of the area of each province which would be protected by the provincial governments;
 - 7% of the total Canadian area which would be protected by trusts administered by concerned individuals (entities) and dedicated to specific habitats, cultural settings, and historical settings.

Such discussion document to be ready in about eight months from launch date. This discussion document would then be available for submissions by all interested parties, including governments, industries, businesses, individuals, international nature groups, and environmentalists, with a view to assembling a feasible, comprehensive, significant

environmental protection policy for Canada's land and water areas. Submissions would be accepted for about six months.

At the end of the submissions stage, an international body would be invited to rationalize all the submissions and recommend a final plan to the Federal Government. The Federal Government would then debate and accept a plan for Canada and recommend it to the provinces and territories for their debate and approval. One could visualize some entity like the National Geographic Society as being both interested and competent in assessing the submissions and recommending the final plan.

Inherent in all this would be an understanding that the remaining 72% of the Canadian land base would be available for commercial exploitation. There may be room for regulatory control over renewable and non-renewable resources, but not the continual and irresponsible intervention of special interest groups presently allowed to ride roughshod over independent enterprise. Note that the proposals in the Justice chapter will help to control intervention and speed up the civic process.

One can picture the issues that will evolve from aboriginal land claims, private developments entrapped in proposed protected areas, and costs of swapping privately-held lands for Crown lands. My view is that the longer we leave environmental issues to ad hoc decisions, the fewer realistic options will be left. It seems to me that protection of 28% of the land and water area of Canada will put the country on the leading edge of environmental responsibility and we should get on with it before it is too late.

The communication and transportation corridors will also cause debate and concern. I propose that a five mile-wide strip be included in the corridors with usage as follows:

- ◆ roads, pipelines, railways, power lines, and microwave towers would be in the middle mile;
- ◆ the mile on each side of the middle mile would be available for private ownership and development of accommodation and recreation activities suitable to travellers and local demand;
- ◆ the outside mile on each side would be a transition zone where there is no development, but people would not be restricted from hiking, swimming, and skiing. One of the challenges involved in corridors through protected areas is to ensure the relatively free movement of wild life. This raises the opportunity for creative ways to build highways below or above ground and other innovations to infringe as little as possible on nature.

CONSTITUENCIES AND WARDS

The focus of my studies so far has been the **life security, one page tax act and controlling spending modules**. Those issues have been reviewed and debated at some length and I am comfortable that they are fundamentally defensible. In this **constituencies and wards module**, I turn to an issue that is important to society and I wanted to see whether I could articulate suggestions in the area that would honour my philosophy and approach to governance issues for Canada. Readers should recognize that I have decided to publish the book before the issues in the **constituencies and wards module** have been vetted and refined. There will be flaws. I know that many of you will propose significant improvements. If my initial ideas launch a productive debate, I will be pleased.

Under the existing system, there is little evidence that governments know the current address of their citizens, or even how many citizens they have. Under my proposals, every individual would have an identification number assigned at birth or at entry to the country on any basis other than a visit. From the identification number administration, the system could maintain last known addresses for every individual.

Because addresses are known, the constituencies for federal, provincial, and municipal jurisdictions would be automatically established by assigning individuals by postal codes in a pattern as near to a contiguous square as possible. The constituencies would be adjusted prior to each election by the total population of the whole jurisdiction, divided by the number of constituencies/wards. This would be a mechanical exercise not affected by partisan considerations, nature of residents, wealth, occupation, age, or anything else. Simple rules of rounding would be in place to get the populations of the constituencies/wards close while honouring postal code designations.

All levels of government would be expected to maintain integrity of the addresses of individuals. Therefore, every contact with police and government bureaucracies would routinely get the identification numbers of individuals and the updated addresses.

Since every individual is required to file an annual return, there is an annual opportunity to receive an address for each individual. The Individual Obligations Act would include a penalty for not filing the annual return.

Since the LSP program is funded primarily by income that would otherwise be taxed, the federal government would have continuous access to the following data in every LSP:

- ◆ individual's name;
- ◆ individual's identification number;
- ◆ individual's address;
- ◆ individual's LSP current balance.

The combination of information sources indicates that very few could live in Canada without coming into contact with a means of ensuring that the individual was authorized to be here. The 10-year census was put in the constitution 133 years ago when the record keeping tools were different. Today the 10-year census is a virtually useless exercise; except for data to be used for unacceptable (in my view) social engineering by government. It probably will not identify the illegal residents and is redundant for the law-abiding masses.

DEBT MANAGEMENT

The focus of my studies so far has been the **life security, one page tax act and controlling spending modules**. Those issues have been reviewed and debated at some length and I am comfortable that they are fundamentally defensible. In this **debt management module**, I turn to an issue that is important to society and I wanted to see whether I could articulate suggestions in the area that would honour my philosophy and approach to governance issues for Canada. Readers should recognize that I have decided to publish the book before the issues in the **debt management module** have been vetted and refined. There will be flaws. I know that many of you will propose significant improvements. If my initial ideas launch a productive debate, I will be pleased.

The federal and provincial governments have allowed significant debts to accumulate. The federal government has further unrecorded commitments to Old Age Security and Canada Pension Plan programs. The existing accumulated debts must be managed. There must be effective measures to prevent further increases in peace-time debt. Ultimate protection would involve a constitutional amendment which would prevent any future peace-time deficits. In the meantime, the model described in this book provides a method for preventing any more deficits and for paying down the existing federal and provincial debts.

You will recall that each individual has an opportunity to approve of as many generic government programs as is funded by that individual's tax remittance to the government. This will effectively eliminate the generic programs at all levels of government that a majority do not wish to fund. However, the federal and provincial debts have to be repaid over, say, 25 years. In order to service these debts, the following strategy will be applied.

1. The provincial government will show the per capita blended payment amount which will pay off the provincial debt over 25 years. This amount will be shown as the last caption in the fading programs category. Presumably, no tax-filer will approve of the debt servicing, but it will stay on the provincial form until the debt is paid out. Note that no individual shall be expected to pay more than any other individual in the upper income one-half of the provincial population. This guideline is put into practice by assuming that the lower income one-half of the population will pay no provincial tax, so the maximum tax for any one individual will be double the per capita budgeted expenditures for the year (including blended payments on the provincial debt).
2. The federal government is left way out on a limb because it is the last jurisdiction in the hierarchy for all except the federal "basic services." This means that all federal non-basic programs and federal debt servicing are vulnerable to underfunding. In the case of non-basic programs, it is likely that most of them will fade because the majority of Canadians will not be remitting enough taxes to permit them to approve of the non-basic federal programs. While the target federal tax maximum is double the per capita budgeted expenditures, it is obvious that this amount will not permit the disciplined payout of the federal debt over 25 years or less. Given this situation, I propose a Good Neighbour Concession Contract with our higher income individuals. This Concession Contract proposes to set the maximum federal tax payable by any individual over the next 25 years at amounts that are incompatible with most of the principles espoused in this book! Nevertheless, I believe that our higher income individuals will reluctantly accept a Concession Contract. The terms of this contract are that the maximum federal tax will be calculated by a multiple of 26 in year 1, 25 in year 2, etc., until the multiple of 2 is reached in year 25. All of this extra tax will go directly and specifically to federal debt servicing and the Concession Contract will expire at the earlier of year 25 or when the existing debt is paid out. To make this believable, the Concession Contract must be binding on the government.

If the resulting tax is enough to pay the debt off quicker than scheduled, fine. If not, the federal government will be obliged to cut non-basic spending to ensure that the debt is amortized over the maximum 25 years.

Note that corporate and non-resident taxes and other miscellaneous federal revenue will also be available to cover federal spending. There are indications that the corporate tax, non-resident tax, and the proposed federal individual concession taxes will be sufficient to amortize the federal debt over 25 years or less.

The Special Federal Bonds arising out of issuing Old Age Security and Canada Pension Plan bonds to individuals' LSP's will be funded out of general federal funds as those bonds are converted to cash. Many of these bonds will lapse without being cashed on the death of the individuals holding those bonds. Some of these bonds will mature after 25 years when the existing recorded debt has been fully paid out.

To illustrate the impact of the Good Neighbour Concession Contract, let us assume that the federal government non-basic per capita spending is \$2,500 (it is presently much higher). In this circumstance, the maximum current federal tax would be as follows:

Year	Target Maximum	Debt Servicing	Current Maximum
1	5,000	60,000	65,000
2	5,000	57,500	62,500
3	5,000	55,000	60,000
4	5,000	52,500	57,500
5	5,000	50,000	55,000
6	5,000	47,500	52,500
7	5,000	45,000	50,000
8	5,000	42,500	47,500
9	5,000	40,000	45,000
10	5,000	37,500	42,500
11	5,000	35,000	40,000
12	5,000	32,500	37,500
13	5,000	30,000	35,000
14	5,000	27,500	32,500
15	5,000	25,000	30,000
16	5,000	22,500	27,500
17	5,000	20,000	25,000
18	5,000	17,500	22,500
19	5,000	15,000	20,000
20	5,000	12,500	17,500
21	5,000	10,000	15,000
22	5,000	7,500	12,500
23	5,000	5,000	10,000
24	5,000	2,500	7,500
25	5,000	0	5,000

Note that all of the individual obligations are circumscribed by the “ability to pay” concept and no individual would ever pay more than 49% of income toward life security, federal basic services, municipal taxes, provincial taxes, and federal non-basic taxes (including debt servicing).

A DRAFT CONCESSION CONTRACT ACT

Every individual in Canada is entitled to rely in perpetuity on the following Concession Contract.

WHEREAS the federal government has designed a plausible method of preventing further peace time deficits and for paying out the existing recorded federal debt by blended payments over the next 25 years; and

WHEREAS the federal government is prepared to guarantee to all resident Canadians that it will never incur another peace-time deficit; and

WHEREAS the federal government is prepared to guarantee that it will meet the 25-year amortization schedule before disbursing one dollar on any non-basic program; and

WHEREAS higher income Canadian residents have reluctantly agreed to unilaterally fund the bulk of the amortization payments by way of disproportionate remittances of federal taxes;

NOW THEREFORE higher income individuals agree to pay federal tax over the next 25 years that is limited by the following criteria:

- ◆ in 2000, the maximum federal non-basic tax shall be 26 times the federal per capita spending budget;
- ◆ in 2001, the maximum federal non-basic tax shall be 25 times the federal per capita spending budget;
- ◆ in 2002, the maximum federal non basic tax shall be 24 times the federal per capita spending budget;
- ◆ in 2003, the maximum federal non-basic tax shall be 23 times the federal per capita spending budget;
- ◆ in 2004, the maximum federal non-basic tax shall be 22 times the federal per capita spending budget;
- ◆ in 2005, the maximum federal non-basic tax shall be 21 times the federal per capita spending budget;
- ◆ in 2006, the maximum federal non-basic tax shall be 20 times the federal per capita spending budget;
- ◆ in 2007, the maximum federal non-basic tax shall be 19 times the federal per capita spending budget;
- ◆ in 2008, the maximum federal non-basic tax shall be 18 times the federal per capita spending budget;
- ◆ in 2009, the maximum federal non-basic tax shall be 17 times the federal per capita spending budget;
- ◆ in 2010, the maximum federal non-basic tax shall be 16 times the federal per capita spending budget;
- ◆ in 2011, the maximum federal non-basic tax shall be 15 times the federal per capita spending budget;
- ◆ in 2012, the maximum federal non-basic tax shall be 14 times the federal per capita spending budget;
- ◆ in 2013, the maximum federal non-basic tax shall be 13 times the federal per capita spending budget;
- ◆ in 2015, the maximum federal non-basic tax shall be 12 times the federal per capita spending budget;
- ◆ in 2016, the maximum federal non-basic tax shall be 11 times the federal per capita spending budget;
- ◆ in 2017, the maximum federal non-basic tax shall be 10 times the federal per capita spending budget;
- ◆ in 2018, the maximum federal non-basic tax shall be 9 times the federal per capita spending budget;
- ◆ in 2019, the maximum federal non-basic tax shall be 8 times the federal per capita spending budget;
- ◆ in 2020, the maximum federal non-basic tax shall be 7 times the federal per capita spending budget;
- ◆ in 2021, the maximum federal non-basic tax shall be 6 times the federal per capita spending budget;
- ◆ in 2022, the maximum federal non-basic tax shall be 5 times the federal per capita spending budget;
- ◆ in 2023, the maximum federal non-basic tax shall be 4 times the federal per capita spending budget;
- ◆ in 2024, the maximum federal non-basic tax shall be 3 times the federal per capita spending budget;
- ◆ in 2025, the maximum federal non-basic tax shall be 2 times the federal per capita spending budget.

In the year 2025 and all subsequent years, the federal government guarantees that no individual shall be required to pay more than double the federal per capita spending budget for non-basic programs.

ALTERNATIVES TO STATE WELFARE

The focus of my studies so far has been the **life security, one page tax act and controlling spending modules**. Those issues have been reviewed and debated at some length and I am comfortable that they are fundamentally defensible. In this **alternatives to state welfare module**, I turn to an issue that is important to society and I wanted to see whether I could articulate suggestions in the area that would honour my philosophy and approach to governance issues for Canada. Readers should recognize that I have decided to publish the book before the issues in the **alternatives to state welfare module** have been vetted and refined. There will be flaws. I know that many of you will propose significant improvements. If my initial ideas launch a productive debate, I will be pleased.

There is often a substantial gap between what a person says he will do and what he actually will do. Common examples are:

- ◆ a co-worker agrees to purchase season tickets to a professional team's home games. When it comes time to pay for the seats, the priorities have changed;
- ◆ a father readily offers to help his daughter with her homework all through the school year, but really only helps her twice;
- ◆ a voter agrees that no one should live below the poverty line, but then finds ways to avoid a pro rata share of taxes.

As a result, many high-minded ideals are implemented into law without questioning whether a majority of the residents wish to pay the costs on a pro rata basis.

In order to focus our policy decisions in a productive way, I propose the "crevice" theory. This theory postulates that a person faces a series of crevices throughout a lifetime. Many of these crevices are well-known and are readily negotiated by the majority. Examples are:

- ◆ learning to walk;
- ◆ learning to talk;
- ◆ first day at school;
- ◆ first date;
- ◆ final exams;
- ◆ marriage.

There are other crevices that have become more formidable obstacles over the last 35 years. I believe these crevices have widened and deepened because individual responsibility has been eroded.

So my policy suggestions have the following two main thrusts:

1. Improve the ability of individuals to confidently cross a variety of crevices.
2. Narrow several of the crevices that are too wide for many to cross.

One should recognize that there will always be crevices. If we were able to eliminate all the known ones, people would invent a new set anyway. However, a continuing quest to allow individuals to acquire skills and confidence to cross identified crevices as they become important to each individual is a wholesome exercise.

This quest will have the best chance of success if we recognize human nature exists and build on natural tendencies, rather than on some utopian or naive vision of what society should look like. From this viewpoint, one should abandon such hallowed terms as: minimum wages, poverty line, universality, wage parity. All of these terms and many more lead individuals to believe that someone else is responsible for their well-being. It is more productive to lead each individual to believe they are individually responsible for their own well-being.

I grew up on a farm. Several times, I was struck by the metamorphosis that occurred when the plow was put into use each season. The plow sat outside for several months and the mould board and shear rusted noticeably. When the plow was put to use, the first few rounds required extra power to pull the plow through the soil because of its rusty

mould board. However, after a relatively few rounds, the mould board was a shiny, polished silver colour and was much easier to pull through the soil. This seems to me to be a good analogy for what happens to individuals who are not using their individual responsibility mould boards. They get rusty. Then they want government to come along and use chemicals and emery cloth to clean up that which should not have rusted in the first place.

The common storage for grain on the farms in our community was a 12' x12' wooden granary. Often, these bins were built by inexperienced pioneers using whatever materials were available. As a result, some of the granaries were structurally inadequate, so the pressure of the grain tended to push the walls out. To counteract this tendency, many bins had heavy wires strung across them about four feet off the floor. One set of wires went from side-to-side and another set from front-to-back. The wires were tightened by twisting a stick between the wires until the wires were taut and able to help counteract the pressure of the grain on the walls of the bin. This was an inexpensive, effective fix for a problem that needn't have developed in the first place. Many times I banged my knuckles and ribs and arms on these wires strung across where I was trying to shovel grain. I recite this story because it symbolizes my suggested approach to managing the size of the crevices that individuals might wish to cross. The first message is that the structures we build should be strong enough to keep the crevices narrow enough to cross. The second message is that we can use wires (twisted tight) to keep the existing crevices from widening further, while individuals cross with existing skills and confidence. There will be some banged knuckles and bruised ribs, but individuals will survive and will persevere.

At the end of the day, my proposals are built on individual responsibility. Are you willing to expect that all individuals will take primary responsibility for themselves? If a majority is willing, we can build a better Canada. If not, we are doomed to a steady erosion of our freedom and our productivity. The choice is open to each of us.

DESIDERATA

Go placidly amid the noise and haste, and remember what peace there may be in silence.

As far as possible without surrender be on good terms with all persons.

Speak your truth quietly and clearly; and listen to others, even the dull and ignorant; they too have their story.

Avoid loud and aggressive persons, they are vexatious to the spirit.

If you compare yourself with others, you may become bitter or vain; for always there will be greater and lesser persons than yourself.

Enjoy your achievements as well as your plans.

Keep interested in your own career, however humble; it is a real possession in the changing fortunes of time.

Exercise caution in your business affairs; for the world is full of trickery.

But let this not blind you to what virtue there is; many persons strive for high ideals; and everywhere life is full of heroism.

Be yourself.

Especially, do not feign affection.

Neither be cynical about love; for in the face of all aridity and disenchantment it is perennial as the grass.

Take kindly the counsel of the years, gracefully surrendering the things of youth.

Nurture strength of spirit to shield you in sudden misfortune.

But do not distress yourself with imaginings. Many fears are born of fatigue and loneliness.

Beyond a wholesome discipline, be gentle with yourself.

You are a child of the universe, no less than the trees and the stars; you have a right to be here.

And whether or not it is clear to you, no doubt the universe is unfolding as it should.

Therefore be at peace with God, whatever you conceive Him to be, and whatever your labors and aspirations, in the noisy confusion of life keep peace with your soul.

With all its sham, drudgery and broken dreams, it is still a beautiful world.

Be cheerful.

Strive to be happy.

- Max Erhmann, 1927

CATALYSIS

The economic underperformers who have not yet achieved a median funding required by the Life Security Plan and those who have chosen to default on individual responsibility may have landed in their present predicament through various misfortunes such as poor upbringing, teenage pregnancy, misspent youth, immaturity, laziness, physical abuse, mental abuse, ad infinitum. This book proposes the "catalysis" model to genuinely help the folks who could benefit from a "leg up."

Catalysis, as used here, means a combination of specific analysis of the needs and wants of the target individual, and the identification of an appropriate mentor to be the catalyst to help the target get from the present circumstances to individual independence (especially financial independence).

The steps in the Catalysis process are:

- ◆ an individual asks for help from the system;
- ◆ the individual is encouraged to identify an appropriate catalyst;
- ◆ the catalyst and the individual mutually develop a contract (plan) to achieve financial independence within a reasonable timeframe (say five years), and cover basic food, clothing, and shelter virtually immediately;
- ◆ all of this is accomplished outside of any level of government. It reopens a meaningful role for churches, service clubs, individuals, business people, and neighbours;
- ◆ because this catalysis process is done completely outside of government, there will be a myriad of ad hoc programs that are tried. Successful programs will be copied. Unsuccessful programs will atrophy. The whole range of community groups will regain meaning. Results will be positive and reinforced. Peer pressure will reinforce the program. Presumably, unacceptable environments will be reduced because abused spouses will have an avenue to escape; children will be put in healthier atmospheres; expectations will be raised; hope will be present;
- ◆ of course, there will be the usual naysayers who harp about two-tier systems; who worry about inappropriate catalysts; who fear change of any style. My answer to them is: the present system is not working, and any general government program is doomed to fail. Why not focus on the individual? Isn't that completely rational?
- ◆ the risks to those who fall into a category of needing help are great. The remaining safety net for these folks (after the LSP is used up) will be way below most people's comfort level. There will be some transitional heartache and disasters because many will believe that the safety net will not actually be lowered way below most people's comfort levels. However, over a few years, the recognition that individual responsibility is indeed the norm will have a profound positive effect on the well-being of the nation and its individual residents.

Hearken back to the taker-maker analogy discussed in the preface. As soon as that blob of humans between the two backstops is tipped slightly toward the maker end, the whole blob of humans purposefully gravitates to the maker end. My bias is that the heavier the maker end becomes, the stronger the society. However, those individuals who continue to hold collectivist philosophies will continue to merchandise alternatives.

I work with owner-managers of businesses daily. It is my conviction that individuals in businesses will enthusiastically adopt the philosophies and programs expounded in this book. Even the most paranoid members of our society will be astounded at the positive activity generated throughout Canada under a rational regime involving the approaches prescribed here.

It surprises me that any responsible person would advocate that people should receive welfare with dignity. To me, accepting welfare is the antithesis of dignity. Shouldn't people learn dignity from birth? Don't turn your food bowl upside down; accept toilet training; don't raise a consistent ruckus in public places; don't disrupt the school class; don't play Bridge full-time in university; don't collect EI as a regular part of existence; don't be promiscuous; don't beg. The list could go on. My point is that asking for government help is not dignified, should never be merchandised as dignified, and should not be legislated as dignified.

Now, if an individual finds himself in a position that he needs to ask for help, then he should make a personal commitment that he will do everything in his power to avoid asking for future help, and should wholeheartedly pursue a route to individual independence. Even though the indignity of asking for help is a blow, the dedicated efforts to learn from the underlying mistakes should insulate oneself from future setbacks. Genuine pursuit of individual responsibility will quickly demonstrate to the neighbours that the helping hand was justified. A close analogy to the person asking for help is the maturing process of a teenager. Each teenager chooses a way to test the limits of acceptable behaviour as measured by parents, teachers, church, community, and police. To the extent that neither the teenager nor the authorities around him provide acceptable limits, a life is wasted. In the adult world, our welfare system has

encouraged the irresponsibility of the individuals who apply for welfare. I seek to establish some rational limits that will allow the vast majority of potential welfare recipients to choose to be short-term partakers. I trust that no one will infer that I believe that accepting welfare is dignified.

What path might an individual choose if he decides to ask for welfare? His first line of attack should be his personal initiative, his education vouchers, his Life Security Plan, his family (close and extended), and his friends. If this whole range of support systems proves inadequate, then the individual has two broad choices:

- ◆ he can ask for formal help with the understanding that help will come with a genuine commitment from the applicant to become individually responsible within a relatively short time;
- ◆ he can decide to lead a life of mere subsistence.

The person who admits he needs help and makes a genuine commitment to rapidly improve to self-sufficiency will find a vast array of community resources available to help him. The path he chooses will depend on the following factors:

- ◆ what support structures are known to be available in the community;
- ◆ what sponsor group is most consistent with the individual's personal preferences and career interests;
- ◆ what education vouchers remain to be used;
- ◆ what help the family and friends will provide once the individual demonstrates a willingness to become individually responsible and financially independent;
- ◆ the catalyst he chooses to provide the guidance, stability, maturity, street smarts, and understanding to get the person on a path leading to individual responsibility and financial independence.

Once the support structure and catalyst have been located, all the parties will develop a written contract which will spell out the benefits and the obligations of all the signatories. In the circumstances, the applicant is the most vulnerable for several reasons:

- ◆ it may be a life and death attempt to get ahead;
- ◆ it may be that past experience shows that "nobody cares;"
- ◆ it may be that the sponsor groups and catalysts do not adequately perform their functions.

This means there will be failures. It also means that all the parties will hear of circumstances that worked well or went badly awry. An evolution will take place where several approaches will emerge, probably including:

- ◆ more individuals will struggle along without getting involved in any formal process;
- ◆ more individuals, churches, service groups, and business groups will refine their programs so that the likelihood of successful fulfillment of the programs will be improved;
- ◆ more individuals will recognize that the consequences of ignoring education, stealing cars, getting pregnant, divorcing, quitting jobs, and other choices could result in some genuine pain. Some prudence will emerge across the spectrum. Wouldn't that be a welcome development?
- ◆ there might be a tendency for some individuals to eke a living out of panhandling and street vending. Canadians generally do not accept panhandling and street vending so this type of activity would have to be met with enough obstacles to make it virtually unacceptable as an alternative to committing to an effective plan to gain individual responsibility and financial independence.

The individual might choose a life of mere subsistence. We can have a debate over what mere subsistence means, but my definition would include enough funds to buy salt, flour, and other basics, but not enough to buy liquor, cigarettes, or drugs. The media mentions "smart cards" for various commercial and healthcare monitoring plans. Perhaps a smart card could be issued annually to an individual seeking subsistence welfare. This smart card would

allow commercial vendors to issue goods and services having a cumulative daily value of, say, \$2. The recipient would not be allowed to bank two or more days worth of purchases so that he could buy a bottle of liquor for, say, \$10. Each day he would be allowed to purchase \$2 worth of merchandise. Presumably, merchants could invent ways to group several \$2 for the recipient to buy staples, but the size of the transactions would make the hassle to the merchant very unattractive as a normal business practice, and it would only be done for regular, reliable recipients. Some experience in practice would soon establish the size of the daily amount that would keep the recipients alive with no frills. The goal is to make the mere subsistence option totally unacceptable to the masses.

CREVICE CREWS

Effective help for an individual has to be one-on-one. That is why government and big businesses are not suitable vehicles for effective social assistance. Early in this module, I discussed the Catalysis model to illustrate how individuals could get help. In an effort to find adequate words to help people conceptualize the individual obligations and help proposal, I suggest a “Crevice Crew”, which will be dedicated to the attainment of individual responsibility by one individual (or one household).

A Crevice Crew could be one person, but it is more likely to be a family which is committed, as a family, to help the individual (household) wanting help. Notice I said “wanting,” not needing. Most of us “need” help; only a small minority “want” help. No matter how much anyone “needs” help, I don’t “want” to provide help unless the target genuinely “wants” help. The distinction is important. It will save us all a lot of grief.

How will the Crevice Crew work? There will be very few rules and very little structure. The guidelines will be something like this:

- ◆ an individual (or head of household) places his/her situation on a list of folks wanting help. This individual shall be called a “Nominee;”
- ◆ a family decides to become a Crevice Crew;
- ◆ the Crevice Crew selects a situation from the “want” list and makes sure the circumstances of the Nominee are at least a rational, if not perfect, match;
- ◆ the Crevice Crew and the Nominee work out a plan to attain social integration and individual responsibility for the Nominee (household). This plan is reduced to a written contract;
- ◆ the Crevice Crew then sets about facilitating the progress of the Nominee through to execution of the contract (resulting in social integration and individual responsibility). This might be a three to five-year project. It should only last longer if a genuine friendship amongst equals develops out of the original project.

The Crevice Crew is not only responsible for facilitating, encouragement, and moral support. It is also responsible for marshalling the right level of resources. For example, getting friends and neighbours to:

- ◆ host vacations, weekends, sporting events;
- ◆ attend school plays, church programs, organized games in which the Nominee household members are participating;
- ◆ find information, jobs, clothing, furniture, hobby materials, sports equipment.

Note that the education requirements will be provided for as described in the education module. However, the costs of transportation, housing, food, and clothing will still need to be met through the efforts of the Nominee, the Crevice Crew, and the other participants found by the Crevice Crew.

One might assume that the Crevice Crew would have to be a family with lots of money, lots of contacts, and lots of free time. However, the key ingredient will be a genuine commitment to facilitating the social integration and individual responsibility of the Nominee. I grew up in a very responsible family with extremely low disposable income. Our social activities included:

- ◆ frequent Sunday dinners at an Aunt and Uncle's home where our family participated in many of the facilitating functions proposed for the Crevice Crews;
- ◆ regular attendance at the local church, participating in Sunday School, confirmation classes, church picnics, church programs, church administration;
- ◆ regular participation in the community baseball league
- ◆ regular participation in the local farm and community organizations;
- ◆ social outings included potluck dinners, school Christmas concerts, crocinole and whist tournaments, turkey shoots, community sports days, baseball tournaments. All of these were organized and staged by the local families. There was virtually none of the splash of the Canadian National Exhibition or Calgary Stampede. I never attended a midway until I was 20 years old.

My Mom was co-opted into making costumes out of salvaged materials for our dreams. My Dad was routinely asked to help neighbours with repairing equipment, wiring farmsteads when electricity came to the community, renovating community buildings, supervising threshing crews, and any other activity that was requested of him. This listing of activities is not meant to put my particular family on any pedestal, but rather to illustrate the social fabric that can be woven on a very thin financial budget. Of course, times were different then. Rural settings are different than urban settings. Expectations are perhaps higher, but should they be? Real satisfaction comes with doing well with resources at hand. Some will grow to great heights; some will fail; but the majority will be substantially content with doing well without making the cover of People magazine.

You might ask where governments, service clubs, churches, and community associations can fit into the suggested social order. My suggestions follow:

- ◆ government can get out of the way. Repeal social engineering laws such as minimum wages, young offenders legislation, restrictions on schooling options, WCB, monopolies, tax deductible donations, ad infinitum;
- ◆ non-government organizations can publish Nominee lists, encourage Crevice Crews, gather funds for special projects, organize old-fashioned, low-cost social and sporting activities;
- ◆ big business can encourage employees to become Crevice Crews, publicize success stories in their house rags, lobby governments to get out of the way, and provide appropriate job opportunities;
- ◆ small business can do the same as big business, except it is uniquely situated to provide really meaningful employment for Nominees because the company policy manual probably doesn't exist.

Central to my proposals for individuals wanting help is a written plan that clarifies what the exercise is expected to achieve. Such a plan (contract) might cover the following matters.

Background

- ◆ What happened to cause me to ask for help?
- ◆ Have I now agreed that I will now relentlessly pursue a life of responsibility and independence?
- ◆ Have I now agreed that I am primarily responsible for my own life?

Family Support

- ◆ What is my relationship with my parents? Other relatives?
- ◆ Has my family given up on me?
- ◆ Have I given up on my family?
- ◆ If the family relationships have failed, what can I do to rebuild those relationships?

- ◆ If I don't want to rebuild, why?

Mate

- ◆ Do I have a responsible mate?
- ◆ If yes, how do we integrate our efforts?
- ◆ If no, what am I going to do about it?
- ◆ What are my aspirations for long-term relationships with a mate?
- ◆ How do I find and keep such a mate?

Dependents

- ◆ Who am I primarily responsible for?
- ◆ What other financial obligations do I now have? Alimony, garnishees, commitments?
- ◆ Are the dependents to live with me?
- ◆ What are their ages?
- ◆ Who will care for them while I'm working?

Alcohol, Tobacco, Drugs

- ◆ What habits do I now have?
- ◆ How am I going stop?
- ◆ What is the time frame?
- ◆ Why should anyone help me if I refuse to help myself?
- ◆ What is the monitoring system?

Shelter

- ◆ Where am I going to live?
- ◆ Who's going to pay for the housing?
- ◆ How long can this arrangement last?
- ◆ Is the accommodation suitable?
- ◆ What is my long-term housing goal?

Food

- ◆ How am I going to get groceries?
- ◆ Who is going to pay for them?
- ◆ How will I achieve balanced meals?

Clothing

- ◆ What kind of clothes do I need?
- ◆ Where are they going to come from?
- ◆ Who is going to pay the cost of clothing?
- ◆ How will I get access to laundry facilities?
- ◆ What kind of clothes will let me feel comfortable?

Education

- ◆ What education do I have now?
- ◆ If inadequate, how do I upgrade?
- ◆ How do I fit education in my schedule?
- ◆ Who is going to pay for it?
- ◆ What will I consider success in my education?

Career Choice

- ◆ What do I want to do to earn a living?
- ◆ What steps are required to get there?
- ◆ Who do I want to help me?
- ◆ How do I measure my progress?

Transportation

- ◆ How do I get to work?
- ◆ Who pays the cost?
- ◆ How do children get to school?
- ◆ Auto purchase costs?
- ◆ Auto operating costs?
- ◆ Auto insurance costs? Out of sight due to drinking, speeding, carelessness.

What Is Success?

- ◆ How will I know I have succeeded?
- ◆ Financial independence?
- ◆ Stable relationship with mate?
- ◆ Children progressing okay?
- ◆ Adequate food, clothing, shelter?
- ◆ Feeling of accomplishment?
- ◆ Own home?
- ◆ Predictable retirement?

Mentor

- ◆ What kind of person would make a good personal mentor for me?
- ◆ How will I find this person?
- ◆ What do I have to do to live up to the Mentor's expectations?
- ◆ Am I genuinely willing to try?
- ◆ What if I fail?
- ◆ Why should the Mentor take on the task?

Contract Headings

- ◆ key person
- ◆ mentor
- ◆ timeframe
- ◆ philosophy
- ◆ vision
- ◆ mission
- ◆ objectives of the key person
- ◆ transition steps
- ◆ budget management

This chapter has focused on:

- ◆ making the first few rounds to wear the rust off the mould boards; and
- ◆ stringing a few wires across various crevices to keep them from widening too far for the vast majority to cross.

CONSTITUTION

The focus of my studies so far has been the **life security, one page tax act and controlling spending modules**. Those issues have been reviewed and debated at some length and I am comfortable that they are fundamentally defensible. In this **constitution module**, I turn to an issue that is important to society and I wanted to see whether I could articulate suggestions in the area that would honour my philosophy and approach to governance issues for Canada. Readers should recognize that I have decided to publish the book before the issues in the **constitution module** have been vetted and refined. There will be flaws. I know that many of you will propose significant improvements. If my initial ideas launch a productive debate, I will be pleased.

“Power is regarded by all men as the greatest of temporal advantages. The support given to Power, therefore, is an obligation; and, consequently, the protection given by governors to subjects, a positive duty. The subject can only be bound to obedience on the considerations of public good; but the Sovereign, on these considerations, and a thousand others equally binding, is tied to the exact observance of the laws of the constitution under which he holds his power.”

Catherine Macaulay (Graham) (1731-1791); *An Address to the People of England, Scotland, and Ireland, on the Present Important Crisis of Affairs*

“Individuals have rights, and there are things no person or group may do to them (without violating their rights). So strong and far-reaching are these rights that they raise the question of what, if anything, the state and its officials may do . . . Our main conclusions about the state are that a minimal state, limited to the narrow functions of protection against force, theft, fraud, enforcement of contracts, and so on, is justified; that any more extensive state will violate persons’ rights not to be forced to do certain things, and is unjustified; and that the minimal state is inspiring as well as right.”

Robert Nozick (b. 1938); *Anarchy, State, and Utopia*, p.ix

This chapter invites all Canadians to embark on a scavenger hunt to find that group of treasures that Canadians rationally believe to be suitable for their Constitution.

Since many wince at the mention of the Constitution, this hunt will be code-named *“Bedrock.”*

The rules of *“Bedrock”* are that you can roam the world for treasures. There is no master list to say who wins. At the end of the hunt, all Canadians will be asked to vote on each of the proffered treasures. Each treasure receiving 80% approval of those voting will be accepted as a valid treasure, so long as the affirmative votes represent at least 67% of all the eligible voters in the country.

The valid treasures will be assembled into a polished arrangement and placed as *“Bedrock”* on which all Canadians can build their futures with confidence and pride.

The hunt will end when all interested Canadians have voted on the proffered treasures. The prize will be world leadership in human governance.

Following are the clauses that I believe will capture wide approval. There will be lots of opportunity to identify flaws, improve wording, and debate repercussions. My guidelines include the following:

- ◆ individuals are the key
- ◆ official discrimination is generally untenable
- ◆ human nature will prevail
- ◆ bold moves are easier to sell than incremental moves

Individual Responsibilities and Rights

100

Canadians believe that each mature individual is primarily responsible for maintaining sustenance, freedom, order, and tradition. This Constitution allows individuals to meet their obligations and protects their rights.

“Now it is evident that that form of government is best in which every man, whoever he is, can act best and live happily.”

Aristotle (384 BC-322 BC); *Politics*, 1324a

101

So long as any individual has not avoided lawful custody, that individual shall not be deprived of life nor liberty.

“Liberty is then neither more nor less than the absence of coercion. This is the genuine, original and proper sense of the word Liberty. The idea of it is an idea purely negative. It is not any thing that is produced by positive Law. It exists without Law, and not by means of Law.”

Jeremy Bentham (1748-1832); Bentham Manuscripts, University College London, LXIX, 44

102

No law abiding individual shall be forced to act against his/her own mind.

*“For . . . what **liberty** is; there can no other proof be offered but every man’s own experience, by reflection on himself, and remembering what he useth in his mind, that is, what he himself meaneth when he saith an action . . . is **free**. Now he that reflecteth so on himself, cannot but be satisfied . . . that a **free agent** is he **that can do if he will, and forbear if he will**; and that **liberty is the absence of external impediments**. But to those that out of custom speak not what they conceive, but what they heard, and are not able, or will not take the pains to consider what they think when they hear such words, no argument can be sufficient, because **experience** and **matter of fact** are not verified by other men’s arguments, but by every man’s own **sense** and **memory**.”*

Thomas Hobbes (1588-1679); *Of Liberty and Necessity*, *English Works*, 4, p.275

103

Each citizen is equal before the law and is entitled to equal protection of the law.

“. . . all inequality that has no special utility to justify it is injustice.”

Jeremy Bentham (1748-1832); *Supply Without Burthen or Escheat Vice Taxation*, *Jeremy Bentham’s Economic Writings*, ed. W. Stark, I, p.329

104

Except where there is compelling reason to believe that an individual could inflict serious physical harm to those around them, there shall be no discrimination against any citizen of Canada by any government authority.

“The object of this essay is to assert one very simple principle as entitled to govern absolutely the dealings of society with the individual in the way of compulsion and control, whether the means used be physical coercion in the form of legal penalties, or the moral coercion of public opinion. That principle is, that the sole end for which mankind are warranted, individually or collectively, in interfering with the liberty of action of any of their number, is self-protection . . . the only purpose for which power can be rightfully exercised over any member of a civilised community, against his will, is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant. He cannot rightfully be compelled to do or forbear because it will be better for him to do so, because it

will make him happier, because, in the opinion of others, to do so would be wise, or even right . . . The only part of the conduct of any one, for which he is amenable to society, is that which concerns others. In the part which merely concerns himself, his independence is, of right, absolute. Over himself, over his own body and mind, the individual is sovereign.”

John Stuart Mill (1806-1873); On Liberty, p.223

105

No citizen of Canada shall be banished nor excluded from Canada.

106

Each law abiding citizen of Canada has the right to move freely throughout Canada, to reside anywhere in Canada, participate in the economy anywhere in Canada, and to own property anywhere in Canada.

107

Each citizen of Canada has the right to freedom of speech and expression, except where such speech and expression is both libellous and directed at an identifiable individual and/or household.

108

Each citizen of Canada has the right to assemble peaceably without arms.

109

Each citizen of Canada has the right to form associations.

110

No individual or entity shall be forced to comply with terms of a commercial arrangement where the individual or entity has not freely agreed to the arrangement.

111

Each citizen of Canada has the right to profess, practice, and propagate any religion, so long as that citizen complies with all relevant clauses of this Constitution.

112

Each citizen (and entity controlled by Canadian citizens) has the right to own property. Such ownership shall be evidenced by written contract, freely signed. No government authority shall deprive any citizen (or entity controlled by Canadian citizens) of property acquired or developed in accordance with Canadian law, except by way of expropriation at a price that is equal to the higher of original cost and the price arising from the following formula:

“If one force is to compel respect from another force, each must be independent of the other. They must be two distinct forces, not one. If, therefore, the citizen is to count for anything in the State, personal freedom is not enough. His individuality, like that of the State, must be founded on something material over which he must have sovereign possession, just as the State has sovereign possession over public property. Private property provides this foundation.”

Pierre-Joseph Proudhon (1809-1865); The Theory of Property, p.135

FMV x Years x 2, where:

“FMV” equals the highest fair market value of the target property in the time period from notice of expropriation to 30 days prior to full payment.

“Years” equals the number of years that the target property was continuously held by the extended family of the present owner [or legal entity(ies) controlled by such extended family]. Part years shall be calculated on the basis of days in the part year.

113

Each citizen of Canada of any age shall be eligible to vote in the federal, provincial, and municipal jurisdiction of primary residence, provided only that such individual has (once in a lifetime) successfully completed a written examination demonstrating a rudimentary knowledge of the Canadian Constitution, federal issues of the day, provincial issues of the day, municipal issues of the day, and individuals prominently involved in the community. A young child citizen may demonstrate the contemplated rudimentary knowledge and, therefore, be eligible to vote in any jurisdiction of primary residence.

114

No group of governments in Canada shall charge one individual in Canada more tax in total than that group of governments charges the majority of individuals in the relevant jurisdiction in any calendar year.

115

Where any government in Canada restricts the actions of any citizen, such restrictions shall be strictly limited to situations where there is compelling reason to believe the citizen could inflict serious physical harm to individuals around him/her. Examples of acceptable restrictions include minimum age limits for driving vehicles and operating firearms, and detention of suspected and convicted criminals. Examples of unacceptable restrictions include age restrictions on voting, drinking alcoholic beverages, smoking, consensual sexual activity, curfews, mandatory retirement, signing of contracts, ownership of property, and consensual employment.

116

Where any individual is found guilty of an

indictable offence and subsequently avoids custody, such avoidance of custody removes protection of life from that individual's Constitutional rights.

117

Each individual shall be considered innocent until proven guilty. In order to protect the reputation of individuals and other entities prior to evidence of culpability, there shall be a general prohibition on publication of criminal charges and civil claims until such time as a Court has ruled the individual guilty in a criminal matter or an arbitration panel has ruled the party liable in a civil matter.

“Publicity is the very soul of justice. It is the keenest spur to exertion, and the surest of all guards against improbity. It keeps the judge himself, while trying, under trial. Under the auspices of publicity, the cause in the court of law, and the appeal to the court of public opinion, are going on at the same time It is through publicity alone that justice becomes the mother of security.”

Jeremy Bentham (1748-1832); *Draught of a Code for the Organization of the Judicial Establishment in France*, Works, IV, p.316

118

Each resident of Canada shall report once each calendar year to no more than three levels of government. Such report shall designate the tax to be paid by the individual and shall indicate the programs approved by that resident. Where the resident is not capable of reporting, such reports and taxes shall be filed by a parent or guardian.

119

Each elected individual who votes in the affirmative for a law that is passed into law and is subsequently determined by the Supreme Court of Canada to violate the Constitution shall be immediately barred for life from holding any elected position in any government in Canada and shall be barred for life from employment by any government authority in Canada.

120

Every individual in Canada is entitled to domestic protection by a system of police, courts, and penalties.

121

No government in Canada shall tax, discriminate against, nor restrict the flow of citizens, goods, services, vehicles, information, intellectual property, or any other thing within Canada.

Justice

201

Canada's judiciary shall be comprised of four levels as follows:

- ◆ a Supreme Court of Canada;
- ◆ a Provincial Court for each province;
- ◆ a Municipal Court for each municipality;
- ◆ an Arbitration process.

202

All criminal cases shall be initially tried at the Municipal Court of the municipality in which the crime was committed, with appeal processes to the Provincial and Supreme Courts.

203

All civil cases shall be initially arbitrated, with appeal processes to Municipal, Provincial, and Supreme Courts.

204

Supreme Court judges shall be:

- ◆ citizens of Canada;
- ◆ nominated by a province;
- ◆ approved by a majority of provinces;
- ◆ approved by the House of Commons;
- ◆ approved by the Senate;
- ◆ ratified by the Governor-General.

205

Provincial Court judges shall be:

- ◆ citizens of Canada;
- ◆ nominated by a municipality;
- ◆ approved by a majority of municipalities in the relevant province;
- ◆ approved by the Legislature;
- ◆ ratified by the Governor-General;
- ◆ never have been admitted into the legal profession in any jurisdiction in the world.

206

Municipal Court judges shall be:

- ◆ citizens of Canada;
- ◆ nominated by a nominating committee of twenty-five individuals who substantially reflect the mix of the residents in the municipality;
- ◆ approved by the municipal council;
- ◆ ratified by the Governor-General.

207

Arbiters shall be:

- ◆ citizens of Canada;
- ◆ qualified by meeting the terms and conditions of the Chartered Arbiters of Canada professional body;
- ◆ never have been admitted into the legal profession in any jurisdiction in the world;
- ◆ assigned to individual cases by random

selection from the list of available arbiters in the extended community comprising the provincial constituencies adjacent to the provincial constituency in which the respondent resides (in the case of a non-individual, the address of the entity).

208

Judges shall be appointed for eight-year terms and shall not be subjected to nor participate in communication concerning any judicial matter by any elected member of any government during the Judge's term.

209

Arbiters shall be subject to the ethics of the Chartered Arbiters of Canada professional code of conduct.

Education

301

Every citizen shall have the right to attend educational institutions for sixty modules of education; where each module shall cover three months and include at least 60 days of instruction. Such 60 days shall comprise at least 300 hours of formal instruction. This clause is subject to the following:

- a) no individual shall be entitled to the next module of publicly-funded instruction until the latest module attempted has been successfully completed;
- b) while the reasonable cost of materials and premises are to be publicly-funded, there shall be no obligation for any government to provide transportation, food, or clothing to students.

Expenditure Limits

401

So long as no war is currently declared in Canada, the federal government shall not spend more in any calendar year than it collects in revenue.

402

No provincial nor municipal government shall spend more in any calendar year than it collects in revenue.

403

Expenditures and revenues shall be recorded on the basis of generally accepted accounting principles in Canada.

Citizenship

501

Individuals who are not citizens of Canada shall be allowed to enter as immigrants on a strict and scrupulous “first requested, first allowed” basis with the following absolute restrictions:

- a) no individual shall be allowed to enter Canada as an immigrant if that individual carries a communicable disease;
- b) no individual shall be allowed to enter Canada as an immigrant if that individual has a criminal record involving incarceration of more than two years or more than one criminal offence;
- c) no individual shall be allowed to enter Canada as an immigrant unless the federal government has not filled the federal immigration quota as published on January 1 of the year of authorization to enter;
- d) no individual shall be allowed to enter Canada as an immigrant unless that individual takes up residence in a municipality that has not yet filled its immigration quota as published on January 1 of the year of authorization to enter;
- e) no individual shall be allowed to enter Canada as an immigrant unless that individual demonstrates that the individual has established a Life Security Plan funded to the level required by the Life Security Index for the age of the individual;
- f) any individual in Canada who is not a citizen shall be deported without compensation upon conviction of an indictable offence. In this case, the net funds in the individual’s Life Security Plan shall be released in total to the individual;
- g) prior to the granting of citizenship, an immigrant must meet the following requirements:
 - ◆ be proficient in reading, writing, and speaking the dominant language in the province of primary residence;

- ◆ ensure the Life Security Plan contains the funds required by the Life Security Index for the age of the individual;
- ◆ demonstrate the rudimentary knowledge required of every individual before voting in Canada.

502

Children born in Canada to mothers who are not citizens shall not be citizens of Canada until:

- a) the mother of the child born in Canada becomes a citizen of Canada and is resident in Canada; and
- b) the Life Security Plans of both the mother and the child contain the funds required by the Life Security Index for the ages of the individuals involved.

503

Individuals born outside of Canada to a mother that is a Canadian citizen shall be granted citizenship when:

- a) the mother and the relevant dependent child become resident in Canada;
- b) the Life Security Plans of the mother and relevant dependent child contain the funds required by the Life Security Index for the ages of the individuals involved.

504

Neither the biological nor adoptive father of a child has any bearing on the Canadian citizenship status of the child.

Sovereignty

601

Any Canadian lands owned by any government may be sold to other Canadian governments, legal non-government entities, or individuals at the discretion of the owner.

602

There shall be no surrender nor transfer, either wholly or in part, of the sovereignty of Canada as an independent nation.

603

There shall be no surrender nor transfer, either wholly or in part, of the lands and waters presently designated as Canadian lands and waters.

Governor-General

701

There shall be a Governor-General of Canada who shall be the Head of State and shall exercise and perform such powers and functions as are conferred on the Governor-General by this Constitution.

702

The Governor-General shall be elected by the citizens of Canada in a general election held every four years. Such general election to be held on the third Monday in October, commencing with October 16, 2000.

703

Any candidate for Governor-General shall be a Canadian citizen and shall have been active in independent enterprise for at least the 25 years preceding first election as Governor-General. Such independent enterprise shall have had no significant revenues from any government authority in Canada. Furthermore, the Governor-General shall not have been admitted to the legal profession anywhere in the world. This clause is specifically provided to ensure that proposed actions by government coming before the Governor-General will be reviewed by a competent individual who has not been steeped in government bureaucracy and/or legal doctrine.

704

No Governor-General shall serve more than eight years.

705

Vacancy in the position of Governor-General shall be filled by a general election coincident with the next scheduled federal election. Temporary vacancies shall be filled by appointment of an individual meeting the criteria and appointed after the written approval of at least two-thirds of the provincial Premiers.

706

The Governor-General shall sign into law such proposed federal law that comes before the Governor-General provided that:

- a) The proposed law complies with this Constitution.
- b) A majority of the members of the Senate

has passed the law.

- c) A majority of the members of the House of Commons has passed the law.
- d) A majority of the residents of the country have indicated approval of the emerging program in 12 consecutive months.

707

Where the Governor-General believes that the proposed law is not appropriate as proposed, the Governor-General shall, within 30 days of receiving the proposed law for signature, table in the House of Commons such written explanation as he/she deems appropriate. The House of Commons shall reconsider the proposed law in light of the Governor-General's written explanations and shall vote again on the proposed law. If the proposed law remains unchanged, the Governor-General shall sign it forthwith. If there is any change, the proposed law shall be subjected to the same scrutiny as any other proposed law.

708

The Supreme Court of Canada shall rule on any point of law put to it by the Governor-General concerning any law currently in force in Canada.

709

Remuneration of the Governor-General shall be \$44,000 per month, plus/minus consumer price index since 2000, to cover all remuneration, including housing, travel, security, and all other expenses. No amount beyond the \$44,000 per month, plus/minus consumer price index since 2000, shall be paid by any government authority to the Governor-General.

Jurisdictions

Federal

801

Canada shall maintain a federal government with responsibility for the following:

- a) Parliament
- b) Justice
- c) Defence
- d) Treasury Board
- e) Immigration
- f) Air and Water
- g) Communicable Disease Control
- h) Federal Revenue

802

Where the Constitution does not clearly grant powers to a specific level of government, such powers shall be subject to the mandate of a majority of the voters in a jurisdiction. If more than 50% of the country's population supports a discretionary program, it shall be a federal program.

Parliament

803

There shall be a Senate of Canada which shall provide sober second thought to any proposed law passed by the House of Commons.

804

There shall be three democratically-elected Senators from each province.

805

Elections to the Senate shall be held every four years on the third Monday in October, commencing with October 16, 2000.

806

No proposed law shall pass the Senate unless more than one-half of all elected Senators vote for the proposed law.

807

Vacancies in the Senate shall be filled at the next scheduled federal election. Temporary vacancies shall be filled by an individual appointed after the written approval of two-thirds of the Municipal Mayors/Reeves in the province having the vacancy.

808

Remuneration of Senators shall be \$96,000 per annum, plus/minus consumer price index from 2000. Such amount is a flat contract of \$8,000 per month, plus/minus consumer price index from 2000. The Senate shall convene for a period up to seven days per quarter of a year. The federal government shall provide reasonable accommodation and travel services for the Senators during the four sessions per year. No other amounts, including pensions, shall be paid by any government authority to any current or past Senator.

809

No Senator shall serve more than eight years.

810

There shall be a House of Commons which shall debate laws and approve laws to be forwarded to the Senate for sober second thought.

811

There shall be 130 democratically-elected Members of Parliament from across Canada.

812

Constituencies shall be blocks as nearly rectangular as possible and made up of whole postal codes (first three characters) representing 1/130 of the number of residents in the country as of December 31 of the year prior to the election. No attention shall be paid to provincial boundaries for the purpose of setting federal constituency boundaries.

813

Elections to the House of Commons shall be held every four years on the third Monday in October, commencing with October 16, 2000.

814

No proposed law shall pass the House of Commons unless more than one-half of all elected Members of Parliament vote for the proposed law.

815

Vacancies in the House of Commons shall be filled at by-elections scheduled no later than 180 days subsequent to definitive vacancy.

816

Remuneration of Members of Parliament shall be \$96,000 per annum, plus/minus consumer price index from 2000. Such amount is a flat contract amount of \$8,000 per month, plus/minus consumer price index from 2000. Parliament shall convene for a period up to 14 days per quarter of a year. The federal government shall provide reasonable accommodation and travel costs for the Members of Parliament during the four sessions per year. No other amounts, including pensions, shall be paid by any government authority to any current or past Member of Parliament.

817

The elected Members of Parliament shall democratically elect the Prime Minister from

the ranks of the elected Members of Parliament.

818

The Prime Minister shall receive an additional \$960,000, plus/minus consumer price index from 2000 to cover all remuneration, including housing, staff, travel, security, and all other expenses. Such amount, including basic remuneration, is a flat \$88,000 per month, plus/minus consumer price index. No amount beyond the \$88,000 per month, plus/minus consumer price index from 2000 shall be reimbursed by any government authority to the Prime Minister.

Provincial

819

Canada shall be divided into 13 provinces.

820

Each province shall, subject to provisions in this Constitution and majority approval of the residents, have jurisdiction over:

- ◆ provincial courts;
- ◆ the environment, except air and water;
- ◆ natural resources;
- ◆ education.

821

There shall be a Legislature in each province which shall debate and approve laws to be forwarded to the Governor-General for ratification.

822

There shall be no more than 25 members of each provincial Legislature democratically-elected from no more than 25 constituencies in the province having substantially equal numbers of eligible voters.

823

Elections to the provincial Legislatures shall be held every four years on the third Monday in October, commencing with October 16, 2000.

824

No proposed law shall pass the Legislature unless more than one-half of all elected Members of the Legislature vote for the proposed law.

825

Vacancies in the provincial Legislatures shall be filled at by-elections scheduled no later than 180 days subsequent to definitive vacancy.

826

Constituencies shall be blocks as nearly rectangular as possible and made up of whole postal codes (first three characters) representing substantially equal numbers of residents in the province as of December 31 of the year prior to the election.

827

Where the Constitution does not clearly grant powers to a specific level of government, such powers shall be subject to the mandate of a majority of the voters in a jurisdiction. If more than 50% of a province's population supports a discretionary program that is not a federal discretionary program, it shall be the province's program.

Municipal

828

Each province shall be divided into municipalities.

829

Each municipality shall, subject to provisions in this Constitution, appropriate provincial laws, and majority approval of the residents, have jurisdiction over:

- ◆ municipal courts;
- ◆ police;
- ◆ roads;
- ◆ zoning.

830

There shall be a Municipal Council in each municipality which shall debate and approve laws.

831

There shall be a minimum of five Councillors and a maximum of 25 Councillors democratically-elected from the equivalent number of wards having substantially equal numbers of eligible voters. Wards shall be blocks as nearly rectangular as possible and made up of whole postal codes (first three characters) representing (one/divided by the number of Councillors) times the number of eligible voters in the municipality as of December 31 of the year prior to the

election.

832

Elections to the Municipal Councils shall be held every four years on the third Monday in October, commencing with October 16, 2000.

833

No proposed law shall pass the Municipal Council unless more than one-half of all elected Councillors vote for the proposed law.

834

Vacancies in the Municipal Councils shall be filled at by-elections scheduled no later than 180 days subsequent to definitive vacancy.

835

Where the Constitution does not clearly grant powers to a specific level of government, such powers shall be subject to the mandate of a majority of the voters in a jurisdiction. If more than 50% of a municipality's population supports a discretionary program that is not a federal nor a provincial discretionary program, it shall be the municipality's program.

Defeats of Bills

836

No democratically-elected government shall be forced to resign because of the defeat of any bill.

Election of Prime Minister, Premier, Mayor

837

Any democratically-elected government may select a new chairperson (Prime Minister, Premier, Mayor) by a simple majority of all elected members in that government. Ratification or replacement of the chairperson shall occur within 30 days of written petition signed by at least 20% of all elected members in the relevant body. Any elected member of the body may stand for election as chairperson at any vote regarding the selection or ratification of the chairperson.

838

Any democratically-elected individual in any government in Canada is subject to recall by constituents. Such recall shall be subject to the following rules:

- a) At least 5% of the eligible voters in the

jurisdiction must sign a petition requesting recall.

- b) Upon receipt of a valid petition for recall, the Governor-General shall convene a panel of three arbiters:
 - i) One named by the elected individual targeted for recall.
 - ii) One named by the petitioners at the time the petition was signed.
 - iii) One mutually agreed to by the above two arbiters. Failing agreement within 15 days, a third arbiter shall be appointed by the Provincial Court in the home province of the member targeted for recall.
 - iv) The third arbiter shall chair the panel.
- c) Such panel of arbiters shall hear evidence and provide a written ruling approved by at least two arbiters within 60 days of the filing of the petition. Such ruling shall be binding on all parties. The panel shall not be bound by formal rules of evidence, but shall be conscious of fundamental fairness.
- d) No recall petition shall be acted upon if submitted within two years of the submission of a prior recall petition concerning the same elected individual.

Insurrection

900

Where the federal government declares an insurrection, notwithstanding anything in this Constitution, the federal government may make laws which it believes to be required by reason of the insurrection. Such laws must be ratified by a simple majority in a special national referendum within 120 days of passing into law. Such laws shall be further subject to ratification every two years. Every second such ratification process shall coincide with the national election.

War

1000

Where the federal government declares war, notwithstanding anything in this Constitution, the federal government may make laws which it believes to be required by reason of the war. Such laws must be ratified by a simple majority in a special national referendum within 120 days of passing into law. Such laws shall be further subject to ratification every two years. Every second such ratification process shall coincide with the national election.

Name

1100

The name of the country shall be "Canada."

Supremacy

1200

This Constitution shall be supreme in Canada. No law shall be valid which violates this Constitution.

Constitutional Amendments

1300

This Constitution shall not be amended except by the affirmative vote of 80% of those citizens of Canada voting on such amendment and provided that the affirmative votes cast represent at least 67% of the entire number of eligible voters.

1301

Any amendments shall be voted upon on a clause-by-clause basis with no opportunity to subject the voters to consider any omnibus amendment.

AUTHOR

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