

first reading

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Those amongst us who have - at the end of the month, after all the bills have been paid - a number of dollars left over, must make a decision. "What should I do with this money?"

The options are many but, if we don't simply rebel at the thought of left over cash and run out to spend it, most of us probably put the little extra we have into some sort of savings scheme.

Whatever your choice - a savings account, Canada Savings Bonds, a retirement savings plan, or stocks, bonds and mutual funds - someone (if not you directly) is taking your dollars and investing them.

What more and more savers are starting to wonder is, "How are my dollars being invested? Is my interest or capital gain coming at someone else's expense?"

Much of this type of questioning has come to the fore in relation to South Africa. Canadian banks and industrial companies began to come under scrutiny from depositors and investors concerned and determined that they, and their savings, play no part in the buttressing of apartheid. This self-examination of what we each do (or have done for us) with our money has continued to grow. It has, as well, become a subject of some concern in corporate boardrooms everywhere, as per Milton Freidman:

Few trends could so thoroughly undermine the very foundation of our free society as the acceptance of a social responsibility other than to make as much money for their stockholders as possible. This is a fundamentally subversive doctrine. If businessmen do have a social responsibility other than making maximum profits...how are they to know what it is?

Perhaps we, the stockholders (in whatever form) must inform them of their social responsibility. This edition of FIRST READING presents a number of methods, and their rationales, which both individuals and organizations can choose to align their consciences with their dollars.

Dollars and Conscience

"Each trade agreement, each new bank loan, each new investment is another brick in the wall of our continued existence."

- John Vorster, P.M. of South Africa 1966-1978

The escalating crisis in South Africa is posing a dilemma to the stock market investor. Most investors will agree that apartheid is repugnant. Similarly, most will agree that accruing profit on the backs of apartheid's victims is unacceptable. Agreement, however, is less attainable when investors consider tactics for expressing their discomfort and, further, for influencing events in South Africa.

This dilemma of course is not new. Economic measures have been levied without success on South Africa for decades. Investors have tackled other issues from alcohol, tobacco, lotteries, pornography, employment and environmental practices to infant formula. The degree to which investors have been able to influence corporate or government behavior is open to debate.

Equally debateable is the degree to which an investor action on one issue is transferrable to another issue. What is clear though, is that investors have scored some impressive victories and, correspondingly, corporations and government's alike have begun to re-examine the "balance" in their balance sheets.

The case of South Africa is unique. Never has the chorus of public outrage been so loud and so sustained. Tim Smith, Director of the U.S. based Interfaith Centre on Corporate Responsibility (ICCR is a coalition of 12 Protestant denominations and 220 Roman Catholic orders and dioceses), reports that concerned investors "have never reached this critical mass before."

We Have Met the Investor and the Investor is Us

Another unique aspect of the South African situation has been the growing recognition that, in effect, all Canadians are beneficiaries of South African investments. Churches, governments, pension funds, universities and philanthropic foundations have held stocks in companies operating in South Africa. 16 to 18 Canadian companies remain in South Africa.

In the mid-1960s, officials in several churches raised questions about the propriety of such investments. Student activism on university campuses also raised the issue. One decade later the rank and file of those institutions, including most notably churchgoers and students, became regularly involved. The resulting actions taken (or not taken), have varied widely. They include divestment, shareholder action and proactive investment.

Divestment

Certainly, the most spectacular alternative open to investor groups is divestment. (Divestment should not be confused with disinvestment.) Divestment means the closing down of corporate operations. Divestment is seen usually as an act of last resort because it forecloses further dialogue and admits to failure. However, more and more groups are resigning themselves to divestment as their patience and hope in other methods dwindle.

In August of this year, following a spirited debate at the General Council of the United Church of Canada (UCC), delegates voted to divest The Church of all South African investments. At the time of the vote the Church owned stock worth \$180 million in 50 companies operating in South Africa.

The Alberta and Northwest conference of the UCC preceded the General Council's vote by two years with a similar resolution to divest. The

decision to divest absolutely reversed The Church's previous strategy of shareholder action and selective divestment. Speaking for the UCC's former position, William Davis, the Church's Chief Financial Officer, warned that "God needs to be in the boardroom and in the shareholders' meetings and not on the sidelines."

Statistics concerning Canadian divestment are difficult to ascertain. Among the Canadian universities which have employed divestment as a tactic are Dalhousie, Waterloo, York, the University of Toronto and Queens. The Province of Ontario is reviewing the prospect of divesting the pension funds it operates. Municipal governments which have taken divestment actions include Toronto, Regina, Vancouver, Victoria and Nanaimo.

Canadian divestment activity pales in comparison with the United States. In 1985, 11 states, 37 cities and counties, and over 50 universities enacted divestment measures. This year has seen another 36 states consider divestment legislation. Protests at over 100 colleges and universities in the spring resulted in the sale of millions of dollars of investments. Disinvestment in the U.S. literally runs in the hundreds of billions of dollars (due primarily to recent actions taken by pension funds).

Shareholder Action

Most activist investors have not adopted absolute divestment actions. Instead, in order to keep "a foot in the door," they pursue shareholder actions. Such actions can take several forms: private discussions and correspondence with corporate directors and managers, formal shareholder resolutions at corporate annual meetings, and remarks "from the floor" at the corporate annual meetings and even litigation.

Many activists couple shareholder actions on certain investments with limited or selective divestment on other investments. One proponent of this strategy, Timothy Smith of the ICCR, observes that "both (divestment and shareholder action) are effective and appropriate when done well."

Opposition to divestment has many

roots. A 1973 document released by the national Federation of Priests' Councils (U.S.A.) labelled divestment as "an abdication of responsibility rather than an embracing of it." Clifton R. Wharton Jr., Chancellor of the State University of New York and a director of the Ford Motor Company writes: "Aside from their brief publicity value, divestiture campaigns inflict no 'punishment' on South Africa...All that would happen is that somebody else would own the stock." Mr. Wharton goes on to propose total disinvestment and U.S. government censure of South Africa. Moira Hutchinson, of the Canadian Task Force on the Churches and Corporate Responsibility (TCCR), worries that socially responsible investment funds have the potential to encourage what she calls "the non-politics of purity, promoting the idea that you can be pure." (The TCCR represents five major church denominations and assists groups, including socially responsible investment funds, to undertake divestment or shareholder actions.)

The University of Alberta has pursued a policy (currently under review) of writing letters of inquiry to companies, in which the University has investments, operating in South Africa. To date, correspondence with approximately 15 companies has been exchanged. The responses from the companies have been satisfactory to the University and no further shareholder action has been contemplated. According to Jamie Fleming, the University's investment officer, it is more likely that the market will decide "of its own accord," noting that return on investment has plunged from 34% in 1980 to -9% today.

In Alberta, recent shareholder action has been co-ordinated by TCCR on issues related to the land claim of the Lubicon Lake Band. At least five companies, including Norcen Energy Resources, Numac Oil and Gas Ltd., Petro-Canada Resources, Union Oil Company of Canada Ltd. and Shell Canada Ltd. have received correspondence from the TCCR. At a Numac annual meeting in Edmonton, shareholders went on to raise questions from the floor.

~~— A third shareholder action is that~~ of the shareholder resolution requiring a vote at the company's annual shareholders' meeting. Resolutions of an ethical nature rarely, if ever, receive a majority vote. Nonetheless, the tactic is seen to be highly effective. Fully one-third of resolutions are resolved and withdrawn prior to the annual meeting vote. The shareholder resolution has been employed with particular vigor in Canada against the five principal chartered banks. Along with recent government legislation, the banks have ceased altogether to make loans to South Africa.

An interesting dispute across the U.S.-Canada border was addressed with a shareholder resolution by the Anglican Church of Canada. The dispute concerned an environmental complaint made by the Nisga'a Tribal Council of British Columbia against Amax Corporation of Canada. Amax, having secured secret agreements from the Federal and Provincial governments, was discharging untreated tailings from a molybdenum mine into an ocean inlet called Alice Arm. As Amax Corporation of Canada was a wholly-owned subsidiary of Amax Corporation in the U.S., it became necessary to make solicitation to the parent company. Despite Amax's efforts to derail the resolution, a vote was conducted in which almost 18 million of a total 48 million ballots cast either supported or abstained from the resolution. The mine was closed the following year as molybdenum prices plummeted.

Litigation is an extremely rare shareholder practice. One Catholic order, The Sisters of the Precious Blood, took Bristol-Myers to U.S. Federal Court over alleged false and misleading statements made by the company aimed at defeating a resolution filed by the Sisters. (Bristol-Myers was one of the companies implicated in the infant formula controversy.)

The ICCR successfully challenged the U.S. Security & Exchange Commission over a law inhibiting the re-filing of unsuccessful shareholder resolutions. And in Canada, Greenpeace

took INCO to court for refusing to circulate a shareholder resolution regarding acid rain. In Canada, it is permissible for a company to withhold a resolution if it is deemed to be unrelated to company business.

Wait and See

A number of local and provincial organizations do not use any investment tactics to influence corporate or government practices. Edmonton's two largest private philanthropic foundations, The Lee Foundation and the Muttart Foundation, report no strategies. Alberta's largest private philanthropic foundation, the Kahanoff Foundation of Calgary, declined to comment.

Few, if any, trade unions are able to implement investment strategies. The only substantial monies which unions would have to invest are pension funds. In Alberta, however, over 90% of union pension funds are managed by employers thereby foreclosing worker control over investment decisions.

The position of the Alberta government remains unknown to this writer. Numerous phone calls to the Provincial Treasurer, The Hon. Dick Johnston, failed to elicit any response. An aide to Mr. Johnston indicated that Mr. Johnston might wish to reserve comment as a means of avoiding criticism. The Province's Chief Investment Officer, Stan Susinski, declined to reveal Provincial investment policy, maintaining that policy should be articulated at the ministerial level. To this writer, the secrecy surrounding this issue suggests an absence of investment policy (not to mention a disregard for public accountability). On the other hand, the City of Edmonton replied openly that it has no policy at present aimed at disinvestment or shareholder action.

Proactive Investing

For those socially proactive investors who are unable or unwilling to sacrifice return on investment, the ethical investment money market and

mutual funds have proven to be viable channels. Lesser known alternatives exist as well. However, these alternatives offer, in most cases, a rate of return that rarely exceeds 13% and is often zero.

One example is the Canadian Alternative Investment Co-operative. The Co-operative was incorporated in June 1984 by representatives of several religious orders. Investments are made in housing and commercial co-operatives, non-profit corporations and government securities. In the United States, opportunities exist to invest in international development projects, worker owned businesses, community service groups, community land trusts and bail funds.

An Uneasy Alliance

Promoting social justice using investment leverage is an interesting and valuable development. However, let us not harbor any illusions about the power politics which are being contested on this issue. In a 1986 issue of Business Quarterly, J. Richard Finlay gushes: "(the socially conscious

investors') tactics are not taken from the time-worn twilight of socialist theory, but from the foundation of the corporate system itself... If (the socially conscious investors) aren't able to achieve their objectives in the marketplace and in the corporate sector, history suggests that they will seek their objectives in the political arena. For a business community that has only recently been freed from the heavy shackles of government over-regulation, this is a prospect that ought not be ignored."

There you have it. We are witnessing a joust in the investment arena between Economic Man and Moral Man. Whether the "home field advantage" will be too great a factor to overcome will be fascinating to watch. Whether they will be able to reconcile their goals and tactics is a question for which an answer does not yet exist. At least, they are jousting openly and civilly.

Tom Grauman is a Social Planner with The Edmonton Social Planning Council.

Investing With Your Conscience

Arlene M. Swendseid
Roger E. Laing

Recently a family had their first child and decided to invest a small amount of money each year for her education. They decided that since the investments were for their child's future, they should not invest in companies which might jeopardize that future. Instead of financing military products, nuclear technology and companies which pollute the environment or discriminate in any way, they wanted to promote companies involved in education, housing and renewable resources.

This family is part of a growing trend among North American investors. The trend is towards what is commonly referred to as "socially responsible

investments" or "ethical investments." As well as individuals, this movement involves churches, pension funds, foundations, universities and unions. These investors wish to invest their capital profitably in companies whose products and business practices are consistent with their own values and beliefs. For instance, the unions may not want to invest in companies with anti-union management; churches may not want to invest in companies which discriminate against minorities and women. These investors may not want to invest in countries with oppressive governments, in nuclear technology or in military products. While one investor's

criteria for investing in a company may be quite different from another's, the one thing that they most likely have in common is that they want a competitive rate of return on their investment.

Socially Responsible Investing

Socially responsible investing offers investors the opportunity to meet their financial goals while at the same time feeling good about the ways in which their investment money is being used.

Although the use of the term socially responsible investing may be relatively recent, the concept is not. Prior to the 1970s many groups and individuals were expressing their social values through consumer boycotts and selective investments. Churches have been important leaders in this movement. For many years they have applied social criteria to the investments made by their funds. They started out by simply avoiding financing tobacco, alcohol and gambling. In more recent years, they have added a list of other business activities which they deemed to be unacceptable.

The Pax World Fund in the United States is an example of a church related group that had a vision of applying Christian principles to the world of financial investments. This fund was formed during the Viet Nam War by members of the United Methodist Church. The major goal of the fund is to contribute to world peace by investing in companies that produce life supporting goods and services such as health care, education, food, housing, renewable energy and leisure products. The success of Pax World Fund's approach to investing is apparent - the fund has earned an average of 14.1% annually over the last 10 years.

Another U.S. fund, the Calvert Social Investment fund, is also doing very well. Lipper Analytic Services rated their Managed Growth Portfolio as the best performing socially responsible investment fund in 1984. In 1985 the rate of return for this portfolio was 26.8%.

In addition to these two funds, there are several others in the U.S. that are experiencing comparable financial

success. Dreyfus Third Century Fund's 1985 rate of return was 30.2% - 9.91% above average industry standards. It is obvious that investors do not have to sacrifice a good rate of return when they invest "responsibly."

Another indicator of success for socially responsible investments has been the rapid expansion in the U.S. of an infra-structure to support the industry. There are now newsletters, books and information services that deal with this topic. Good Money Inc. of Worcester, Vermont, provides two newsletters, "Good Money" and "Netback," and a research service that evaluates specific companies for investors. In addition to these services, and to the increasing availability of socially responsible mutual funds, there are growing numbers of financial advisors who specialize in developing individual ethical portfolios.

In Canada, there is an awareness that individuals and corporations have a responsibility to lessen our planetary problems. The Taskforce on the Churches and Corporate Responsibility is a prime example of this awareness. They are a national ecumenical coalition formed in 1975 to assist participating churches to implement their corporate social responsibility policies. Some of the issues that this group addresses are: human rights, civil rights, the ecology, social justice, militarization and poverty.

Canadian Funds

The Canadian social investment field grew during 1986 with the establishment of two new funds. Vancouver City Savings Credit Union has followed the U.S. lead by establishing a mutual fund which applies social criteria to its investments. Their Ethical Growth Fund was set up in January 1986 to offer credit union members the opportunity to invest in corporations that meet the Fund's social and financial criteria. To qualify for investment, the company must: have a head office located in Canada, practice progressive industrial relations, do business in countries that promote racial equality and not be involved in military business or in the production of nuclear energy. The Fund has attracted over 600 investors and is

valued at approximately \$5 million (as of July 30, 1986).

The latest addition to the socially responsible investment field in Canada is the C.E.D.A.R. Balanced Fund, managed by C.E.D.A.R. Investment Services Ltd. of Vancouver and Edmonton. The fund was established as a direct result of an Edmonton Social Planning Council project conducted by Roger Laing during the Fall of 1985. The C.E.D.A.R. Fund is the first in Canada designed specifically to encourage pension funds and other non-taxable entities to invest responsibly. In assessing a company for investment, eight areas of corporate behavior are evaluated. The Fund investigates a company's international business practices, its involvement in the production and sale of nuclear power and military products, its environmental record, the quality of its employee and community relations, its business ethics, and the safety of its consumer products. A National Advisory Board made up of individuals with expertise in these eight areas has been established to set and refine the specific criteria.

The objectives of the C.E.D.A.R. Balanced Fund are twofold: first to give the investor an above average return on investment, and second, to direct shareholder's money into socially responsible companies. The managers of this fund believe that through the growth of socially responsible investing, companies will become more aware that it is in their best interests to be sensitive to the social and environmental consequences of their practices.

It makes sense that companies will be more financially successful if they stay out of trouble. Protracted work stoppages and environmental violations are just two examples of corporate issues that can quickly become financial burdens, as well as public image problems for a company.

Three Approaches

One approach to socially responsible investing is to avoid companies plagued by such problems. The rationale underlying the "avoidance approach" is that investors avoid investing in companies whose products, services or

practices they do not wish to support. A list of social criteria for an "avoidance investor" would be a list of no's: no to South Africa, no to nuclear energy, no to military products.

Another group of investors takes this approach one step further. These investors invest only in companies whose business activities they feel good about supporting. The intended result of the "positive approach" is to obtain a good rate of return for the investor while supporting ethical practices by corporations. The list of social criteria for a "positive approach" investor would be both a list of no's and a list of yeses: no to polluters, no to companies which "dump" unsafe products in developing countries, yes to fair labour practices, yes to alternate energy, yes to safe consumer products.

A third approach is the "activist" approach. Investors who take this approach may invest in companies which are engaged in activities of which they disapprove. Then, as owners (shareholders) they submit resolutions to be voted on at annual shareholders' meetings. The Taskforce on Churches and Corporate Responsibility often takes this approach. Although not all shareholder's resolutions are passed, they are effective in educating management about corporate responsibility and in exposing "irresponsible" corporate behavior.

The three approaches have been separated here for the sake of simplicity, but many investors use all three approaches when putting together their investment portfolio.

What options for socially responsible investing are available for the young family mentioned earlier? They can do their own research and come up with a list of companies whose practices are consistent with their values. Unfortunately, this requires sophisticated research capabilities and a lot of time and energy. The family's second option is to join an ethical investment club. This would allow them to share the research tasks and permit them to invest in a greater number of companies. (One such club has recently been established in Edmonton by a group from the Westwood Unitarian Church.) Since this family lives

in B.C., their next option is to invest directly in VanCity's Ethical Growth Fund. Canadians outside B.C. will have to wait until VanCity's Fund expands nationally or until similar funds are made available throughout Canada. If any of the family members belong to an employee pension plan, they can exercise a further option. They can encourage the trustee of their pension plan to invest the pension fund's capital in a socially responsible manner.

The socially responsible investment movement is a vehicle through which the investor's social values and financial goals can be brought together. In other words, "putting your money where your morals are" is good for both your pocketbook and your conscience.

Arlene M. Swendseid & Roger E. Laing are principals of C.E.D.A.R Investment Services Ltd.

Taxes: A Life or Death Proposition

Dave Hubert

World wide military spending currently approaches 1000 billion dollars annually while millions of people die of malnutrition and billions have inadequate schooling, health and social services, and food. The money required to provide adequate food, water, education, health and housing for everyone in the world is estimated to be 17 billion dollars a year. This is a huge sum of money...about as much as the world spends on arms every six days.

We live in a world which has 556 soldiers and 85 physicians for every 100 000 people; as world which spends \$19 300 per soldier and \$380 for public education expenditures per school age child; a world which spends \$108 per capita on the military and 6 cents per capita on international peace keeping (statistics from World Military and Social Expenditure, 1982. Ruth L. Sivard.)

Right here in Canada it is noteworthy that there always seems to be money enough to buy new fighter planes, warships and tanks, even when the numbers of ill, unemployed and hungry in our land are growing.

Many of us find these conditions intolerable and an affront to our intelligence and humanity. And yet we keep on making them possible by paying our taxes so that our governments can continue to buy the instruments of hate and destruction on our behalf. As one writer put it, we pray for peace and pay for war.

The question of paying taxes to support the growing militarization of the world has been troublesome for many for a long time. As far back as 411 BC in his play *Lysistrata*, Aristophanes made a significant statement about denying money to the generals to stop them from waging foolish and unnecessary war. More recently, people in the United States have withheld from the federal government that proportion of their taxes which equals the proportion of the federal budget used for military spending. Indeed, one church, the General Conference Mennonite Church, has gone so far as to refuse to collect the military portion of taxes from employees who do not wish to pay that portion of their taxes for reasons of conscience. This practice started three

years ago, and so far the Internal Revenue Service has not moved against the Church. One of the drawbacks of this approach is that it leaves open the argument that these tax withholders are benefitting by their withholding.

Conscience Canada

In Canada, the most prominent group involved in tax resistance, as tax withholding is also sometimes called, is Conscience Canada. Conscience Canada has established the Canadian Peace Tax Fund, into which the military portion of one's tax can be channelled.

Conscience Canada came into being in 1978 when a group of Quakers in Victoria learned of campaigns in the U.S. and Great Britain to secure legal alternatives to paying for war.

In 1979 Conscience Canada began a newsletter, suggesting that government recognize their conscientious objection to paying taxes for killing. In 1980, the Canadian yearly meeting of the Religious Society of Friends (Quakers) at Nelson B.C. passed the following minute:

When we protest the conscription of our taxes for killing, we are bearing witness to the peace testimony... When we advocate the establishment of a Peace Tax Fund, to which we could direct that portion of our tax which would otherwise be spent on arms and the military, we are asking for a legal alternative to war service for our taxes...Meanwhile, a Peace Tax Fund would provide badly needed support for peace research, education and development programs which would eliminate the causes of war.

In 1981, the British Columbia conference of the United Church passed a resolution supporting the Peace Tax Fund and, in 1982, at its national conference, the United Church recommended that its members support the Peace Tax Fund Committee.

Not willing to let the matter of a

Peace Tax Fund rest until it was established by Parliament. Conscience Canada established the Canadian Peace Tax Fund in June 1982. This is a trust account into which people opposed to killing the war can deposit the military portion of their taxes. The number of peace trusters as of 31 May 1986 was 362.

However, because the Peace Tax Fund is not recognized by the Government of Canada, forwarding taxes to the Fund is not legal. Indeed, while a number of MPs have attempted to get a Peace Tax Fund legally established, both Liberal and Conservative governments have refused to do this.

The legal argument for the establishment of the Peace Tax Fund is the second article of the Canadian Charter of Rights and Freedoms. Article 2 states that: "Everyone has the following fundamental freedoms:

a) freedom of conscience and religion,
b) freedom of thought, belief, opinion and expression...."

As stated, Canadian governments have refused to establish a Peace Tax Fund, making it appear that Canadians have freedom of conscience and religion only if conscience does not dictate that it is wrong to kill one's fellow human beings, or to pay others for doing it on one's behalf. In other words, it is not legal to believe that it is wrong to kill your fellow human being or to have your government do it for you.

Indeed, Conscience Canada has been refused the status of a registered charitable organization by the Government of Canada. The government holds Conscience Canada to be a political organization. Donations to Conscience Canada are not tax deductible despite the fact that Michael Wilson, the Minister of Finance, announced in budget debate that registered charitable organizations would not lose their status for involvement in non-partisan political action.

Currently, Conscience Canada is preparing to establish in court the right to withhold war taxes pursuant to article 2 of the Charter of Rights and Freedoms. Although it has already

collected \$27 000 for legal costs, it is estimated that the case will cost \$100 000 prior to its resolution in the Supreme Court of Canada.

Personal Perspectives

For some time before 1985, I had been uneasy about having my tax money used to support the military. To me the military has its genesis in mistrust, fear and hate. It exists, ultimately, to kill our enemies. As a Christian, I take seriously Jesus' injunction to "love your enemies."

Because I am an employee and have my taxes deducted at source, I cannot protest the military tax other than through notifying the government of my displeasure. In 1984, however, I made some money away from my job and had to pay some additional income tax at the end of the year. Pursuant to instructions from Conscience Canada, I completed my tax return, calculated 12.2% (the portion of the federal budget devoted to military expenditure - in 1985 it was 9%) of the federal tax payable and wrote a cheque for that amount to the Canadian Peace Tax Fund in trust. I made a photocopy of the cheque and forwarded it, and the balance of the federal and provincial tax owing, to the Receiver General. At the same time, I wrote a letter to the Receiver General, Elmer MacKay, explaining that I agreed with the prosecutions and sentencing of Jim Keegstra and Ernst Zundel for promoting hate, and that because I agreed that it was wrong to hate, I had difficulty paying the military portion of my taxes, because the military acts form the basis of hate. I didn't want to be guilty of the same crimes as Keegstra and Zundel.

Mr. MacKay's reponse to me listed all of the positive things the military does (search and rescue, cleaning up after disasters), but did not respond to the hate issue. He explained that tax law is the jurisdiction of the Minister of Finance and suggested I write to him about changing the law. I wrote to Mr. Wilson, but to no avail.

About two months after I filed my return, Revenue Canada sent a request

for the balance owing. In December 1985, I was notified that if I didn't pay, I could face legal proceedings.

Because Gandhi and Martin Luther King suggest that civil disobedience be done openly and charitably, I went to see the tax department about my case. I explained the situation and my position but was met with the rejoinder, "If you don't like it in Canada, why don't you move somewhere else." Only when I told my interlocutor that reputable scientists estimate that, because of the danger of atomic war, her children had a 50-50 chance at best of living to see the year 2000, did she begin to see my point. Although she refused my request for information about what form the legal action would take, I felt we parted friends.

At the beginning of April 1986, I received a phone call from the tax department. My questioner asked if it wouldn't be simpler to pay my taxes and avoid all kinds of unpleasantness. I responded that the issue was a matter of conscience and that if my intention was to pay I would have already paid. He also refused to tell me what form legal proceedings would take.

The answer was not long in coming. Fifteen minutes later he was on the phone again, asking for the bookkeeper of my employer. I told him that he was speaking with him. We proceeded to discuss Dave Hubert in the third person. He wanted to know what my earnings were, how often I was paid and the like. I told him. It was obvious that a garnishee on my wages was on the way.

Of course, the garnishee was addressed to my employer, the Board of Mennonite Centre for Newcomers. The Board was taken aback by the request, and a little annoyed that money earned and taxes owing while in the employ of the Government of Alberta should become their concern. (I had taken a leave-of-absence from Alberta Advanced Education to work at the Mennonite Centre for Newcomers. Wags suggest that one way of reducing the amount of military tax you pay is to reduce your income. Insofar as my salary is now less than my income taxes were in 1984, I must say that it works.) While the Board was debating the

question of whether to honor the garnishee, I filed by 1985 tax return. As I had a refund coming for 1985 larger than the amount owing for 1984, the tax department withdrew the garnishee.

At this point, I requested that Conscience Canada return the amount forwarded to them and held in trust. The money was returned promptly. Pursuant to their request, I did not ask them to include in the remittance interest earned on the money while it was held in trust. Conscience Canada uses this interest to help defray operating expenses.

Alternatives to War

The withholding of military taxes raises a rather fundamental question. If every one refused to pay the military tax, and support the military, how could the country be defended?

Ever since Cain, mankind has attempted to achieve security through defense systems based on force and violence, on hate and killing. But hate begets hate and violence begets more violence. This dynamism has resulted in ever more sophisticated and deadly weapons systems and wars. In this century alone, 77 000 000 people have been killed as a result of military action. And now, we all face the prospect of nuclear annihilation.

In his book, The Politics of Non-Violent Action, Gene Sharp, a

Harvard don, draws upon the teachings and examples of Mahatma Gandhi, Martin Luther King Jr. and many others to demonstrate that non-violent defence is both feasible and possible. Ron Sider and Richard Taylor expand on Sharp's work in their book Nuclear Holocaust and Christian Hope. They elaborate on how non-violent defence works, and how it has worked against Nazis and communists, among others. This concept is known as Civilian Based Defence (CBD) or Social Defence. Sider states that if we put as much time, money and effort into educating the populace for non-violent resistance as is now spent on violent defense, a non-violent defense strategy becomes realistic. He points out that even in CBD, there would be casualties, but far fewer casualties than in a shooting war.

The knowledge and conviction that truth is more powerful than falsehood, that trust is superior to fear, and ultimately that love and life are stronger than hate and death led me to be a war tax resister. For, as Edmond Burke said, "The only thing necessary for the triumph of evil is for good men to do nothing."

Dave Hubert is the Director of the Mennonite Centre for Newcomers, a settlement services agency for refugees and immigrants in Edmonton.

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OF EDMONTON AND AREA

And our Partner, The Red Cross

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News from the Council

Brown Bag Forums

Three Brown Bag Forums will be offered in upcoming weeks. The first forum, entitled "Labour Law in Alberta: What Needs to be Changed?," will take place on Wednesday, October 15. Speakers will include:

- Sheila Greckol, Edmonton Labour Lawyer
- Lucien Royer, Alberta Federation of Labour

The Council is pleased to announce that Terry Hunsley, Executive Director of the Canadian Council on Social Development will speak at a special Brown Bag Forum on Wednesday, October 22. The topic of Mr. Hunsley's address will be "Work and Welfare: Is Security in Sight?"

The third forum, entitled "Future of the Family Farm in Alberta," will be held on Wednesday, November 19.

Speakers will include:

- John Oberg, National Farmers' Union
- Derek Fox, MLA Vegreville

All three forums will be held in the boardroom of the Edmonton Social Planning Council, 4th floor, 10010 - 105 Street, from 12:10 p.m. to 1:10 p.m.

Admission is free. Bring a lunch! Bring a friend!

New Publications

The following publications may be acquired from the Edmonton Social Planning Council.

1986 Poverty Lines.

An explanation of Statistics Canada's low-income lines, with National Council of Welfare estimates for 1986 and actual lines for 1980 through 1985.

Free. \$1 postage & handling.

Employment and Social Development in a Changing Economy

This compilation of three papers considers how local economic initiatives differ from conventional businesses and how they can be nurtured to play a greater role in achieving full employment. published by the Canadian Council on Social Development.

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Welfare Advocacy Workshop

A two day workshop will be offered on November 12-13 in Edmonton to train volunteers, welfare recipients, and human service professionals to act as welfare advocates.

The workshop will provide a thorough grounding in the provisions of Alberta's social allowance system and impart practical advocacy skills. Furthermore, an exploration of the appeals procedure, community networking and advocacy ethics is included.

A fee of \$50 will be charged to participants (the fee will be waived for welfare recipients). The fee for students will be \$25. Registration is limited. To register, please call 423-2031.