

Mr. SHAW: The same principle would apply to the individual.

Mr. ILSLEY: Not at all, because there were certain conditions attached to the 20 per cent of the excess profits tax. The first year the 20 per cent tax was imposed it was provided that 20 per cent would be returned under certain conditions. I do not know whether those conditions were the same as the conditions suggested by the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) for the return of 20 per cent of our tax, but they were probably something similar. Those conditions destroyed the returnable portion of the tax as an asset. The accountants contended that if the 20 per cent was to be returnable only under certain conditions, if it was to provide employment or to be used to create capital goods, a building or something of that kind, then a company would not know whether they could qualify for the return and therefore it could not be called an asset. The government found that this fact was having a deleterious effect upon production and they backed away from that position. Under this year's budget they are returning it without any strings attached. When I had to make my budget this year I gave careful consideration to whether strings should be attached to this 20 per cent, and I decided finally to take the responsibility of attaching no strings. I knew it would be said in the house that this would be used to pay dividends and bonuses, but I decided that I would have to take that position and would have to meet these arguments as best I could. It was either the companies' money or it was not, and I decided that this 20 per cent would be considered as the companies' money. Perhaps that answers the question of the hon. gentleman.

Mr. SHAW: I am sorry to say that it does not. I understand there are no strings attached to the returnable portion in Great Britain this year. If there are no strings attached, why cannot that portion be regarded as an asset?

Mr. ILSLEY: It is.

Mr. SHAW: No, it is not. I believe the organization of chartered accountants in Great Britain dictates the policy in this country, and in May of this year this organization refused to allow the returnable portion to be entered as assets on the books of the companies, even though there were no strings attached to that returnable portion.

Mr. ILSLEY: That was since the budget?

Mr. SHAW: Yes.

[Mr. Ilsley.]

Mr. BENCE: Was that not because it was not assignable?

Mr. SHAW: I am trying to get an answer, and the hon. member for Saskatoon City (Mr. Bence) has questioned me. As I say, immediate taxation and compulsory savings are merely different forms of taxation; compulsory saving is a deferred type of taxation.

Mr. ILSLEY: That would not be the reason at all. Has the hon. gentleman the report, because I think the reasons must have been given?

Mr. SHAW: I have a section of the report which I shall read.

Mr. ILSLEY: There must have been some conditions imposed even this year. That would be the answer.

Mr. SHAW: Let us make it abundantly clear that there were no conditions attached. I quote from *The Accountant*, which is recognized as the weekly organ of chartered accountants and accountancy throughout the world, this extract which is reproduced in the *Western Producer*:

... we sometimes wish that the chancellor of the exchequer when making budget announcements would help us all be a little clearer in the mind about the effect of contributions which are enforced through taxation. The famous "post-war credit," which is still as vague as ever, is a case in point. This is constantly represented to taxpayers as a benefit which will come back to them in the future. We think that the accountancy profession has rightly treated this benefit by ignoring it when evaluating the assets of commercial concerns...

Mr. ILSLEY: Whose words are these?

Mr. SHAW: I am quoting from *The Accountant*, the subtitle of which is "The Recognized Weekly Organ of Chartered Accountants and Accountancy Throughout the World." I proceed:

It seems incredible that the intention can be to pay it out in money but even if it were so disbursed at a future time, that could only be done by increasing taxation in parallel, thus redistributing as a burden on a possibly different body of taxpayers the payments made by their predecessors.

I am quoting that, Mr. Chairman, for this reason, that we in this country are wont to look upon immediate direct taxation as being something entirely different from taxation which in fact becomes compulsory savings or deferred taxation.

I go a step further and say that we might just as well look upon all taxation, including that which is not returnable and that which is, as being taxation. I do not think we should differentiate between the two. The only thing is that we pay the one to-day and the other