

convincingly written appeal for the reform which is sought. No one reading this remarkable document can remain unconvinced as to the soundness of the principle advocated, nor logically deny the justness of the claims made.

Parliament should act upon the request embodied in Mr. Dixon's summarized review. While he is acting primarily in the name of the automobile dealers of the Dominion, he speaks indirectly for all taxpayers who may in the future have occasion to be owed tax refunds by the Canadian government. What is being asked is that 6 per cent. per annum simple—not compound—interest on money refunded be paid, and that interest payments be made retroactive to April 1915, when the Special War Revenue Act became effective.

Six per cent. is looked upon as a reasonable rate because it is lower than the ordinary taxpayer or business man must pay to replace money taken and withheld from use by the government. The strongest argument apart from consideration of equity, for the payment of interest on refunds is that the government itself exacts interest on tax arrears, as pointed out in the Chamber of Commerce resolution. Another strong argument is that the United States pays interest, and at six per cent.

The case is so weighty that it is hard to believe that, once understood, it will not be entertained. Mr. Dixon's review will furnish the necessary means of understanding.—Ottawa Citizen.

## MONTREAL DAILY STAR

May 1, 1929

### A REASONABLE REQUEST

There would seem to be nothing more than simple justice involved in the appeal now being made to Parliament that Canadian Governments should pay interest on funds belonging to individuals or business concerns which happen to be temporarily in Government custody.

It very frequently happens that through overpayments of taxes, errors, over assessments, etc., private funds are held by Government departments. Often long periods of time pass before adjustments are made and when at last that is done, only the sum involved is handed back. There is thus a loss for which in many cases the individual is not responsible. Many cases are cited where such loss has been really serious.

There does not seem to be any equitable reason why the Government should be exempt from obligations which are binding upon business in general. The United States Government pays its citizens at the rate of 6 per cent. on money due them under the circumstances cited. The refusal hitherto of Canadian Governments to do likewise would seem to be not only unfair but unwise in so far as it must cause resentment and a sense of injustice.

The present Government might do worse than listen to what seems to be a reasonable request.

## LE DEVOIR, MONTREAL, QUE.

2 Mai, 1929

### LE DROIT AUX INTERETS

C'est un principe depuis longtemps reconnu et appliqué aux Etats-Unis que lorsque quelqu'un, pour une raison ou un autre, a versé plus qu'il ne devait au fisc non seulement le gouvernement le rembourse lorsque le fait est reconnu, mais qu'il paye en plus un intérêt de 6% par an. Et ce n'est que justice puisqu'il a pu profiter de ces fonds pendant parfois plusieurs années.

Au Canada, c'est là un principe que le gouvernement fédéral n'a pas encore reconnu. Pourtant on pourrait citer des centaines de cas où des gens ont trop versé au fisc, parfois des montants considérables, et que ce surplus qui est naturellement resté leur bien, ne leur a été remboursé que plusieurs mois, même plusieurs années plus tard, mais sans qu'ils aient reçu aucun intérêt en retour. C'est une injustice d'autant plus flagrante que le gouvernement lui-même, dans le cas de l'impôt sur le revenu par exemple, charge un intérêt pour chaque jour de retard lorsqu'un versement est fait après le 30 avril. Pourquoi la même mesure n'est-elle pas en vigueur dans les deux sens? Ce ne serait que simple équité et le gouvernement d'un pays n'a pas le droit de s'approprier, même par erreur et d'utiliser les biens des citoyens sans au moins leur verser un juste loyer pour leur argent comme il le fait lorsqu'il émet des obligations.

C'est pourquoi la Fédération des Chambres de commerce du Canada, lors de son dernier congrès à Québec, a adopté une résolution demandant que cette situation soit corrigée. C'est aussi pour la même raison que M. James R. Dixon, d'Ottawa, a publié un long travail sur la question afin de compléter en quelque sorte, par l'exposé des faits en détail, la réclamation de la Fédération des Chambres de commerce. Et c'est une résolution semblable que la Chambre de commerce du district de Montréal a adoptée hier, apportant ainsi son concours aux autres associations similaires du pays.

Nul doute que les autorités fédérales tiendront à corriger cette situation aussi fautive qu'injuste et qu'au besoin la question sera soulevée au parlement pour être l'objet d'un débat public.

## THE HALIFAX CHRONICLE AND THE NOVASCOTIAN

May 2, 1929

### INTEREST ON TAX REFUNDS

From time to time monies are paid by citizens to the Government which the Government afterwards refunds but in refunding these monies, it is its practice to refund only the amount paid without interest. This does not seem by any means fair to the individual whose money the Government has had the use of. It would not happen in business and there seems no good reason why a different rule should prevail when it is the Government which has the benefit of the use of the money. The Government itself charges interest on taxes which are in arrears. As to this anyone may satisfy himself by looking up the requirements of the income tax laws.

A movement is on foot to have this changed. It is primarily aimed at getting interest on monies paid by automobile dealers throughout the country when the sudden luxury tax on autos was imposed and almost as suddenly taken off again. In that brief period many were penalised by the imposition of the tax. They are now asking that interest be paid on these monies for the period during which the Government had their use.

While the immediate demand is for the payment of interest on the automobile payments, it is asked that the principle should be extended to all refunds made by the Government. The demand seems wholly reasonable. The request is not for compound interest, which is what would be given in financial circles, but for simple interest for the period. That is already the law in the United States where the Government pays simple interest at the rate of six per cent. on all refunds. The principle is sound. The Government has the use of the money without interest, the citizen is deprived of it, while if he were to loan it to some private individual or concern he would receive interest annually, which means it could be compounded. The present demand seems eminently just and fair.

## MOOSE JAW EVENING TIMES

May 2, 1929

### INTEREST ON TAX REFUNDS

Mr. J. R. Dixon, of Ottawa, who was so closely identified with the movement which succeeded in obtaining the refund of luxury taxes paid by automobile dealers after those taxes had been suddenly abolished, is now the "spearhead" of a movement in Ottawa for the payment of interest at 6 per cent. per annum (not compounded) on the amounts held for so long a time before being refunded. The move has broadened out and now takes the form of a demand for a general application of the principle involved. The automobile case came before the Canadian Chamber of Commerce, and at its third annual convention in Quebec in June of last year, a resolution was unanimously passed urging upon the Federal Government the adoption of "the principle of payment of interest on all monies held by it and refundable to citizens."

In support of this principle, as opposed to the present practice, the resolution urges that such a course is in accord with equity and justice, as the Government enjoys the use of the money pending payment, and, furthermore, the Government exacts interest on overdue payments on account of income taxes, etc.

Mr. Dixon has prepared a strong case in support of the adoption of this principle. While the automobile dealers, to whom justice was done in respect to the principal amount of taxes paid on cars that could not be sold after the tax was suddenly repealed, are still the chief sufferers in the matter of loss of interest on the money involved, there are no doubt many other cases, year in and year out, where citizens are without the use of considerable sums through disputed payments, on which sums they are compelled to pay bank interest, compounded possibly every three months at interest rates of at least 6 and 7 per cent. So that simple interest at 6 per cent. is regarded as a reasonable rate for the Government to pay on refunds, and this rate would preclude any taxpayer making wrongful payments for the sake of the interest involved. Over a ten year period compound interest amounts to approximately 32 per cent. in excess of simple interest on the basis of 6 per cent.

If it is right for the Government to collect interest on overdue tax payments—and no one questions that it is—then it is only right and just that interest should be paid on moneys held by the Government and refundable to citizens. It is obvious that no Government should keep money belonging to an individual taxpayer and use it for the general good without paying interest on it. When there is a claim for principal there is a claim for reasonable interest equally as strong, and as the Ottawa Journal says, to combat this principle is to argue for confiscation.

## MONTREAL DAILY HERALD

May 3, 1929

### INTEREST ON TAX REFUNDS

Pressure is being brought to bear on the Government at Ottawa to adopt a principle unanimously urged by the Canadian Chamber of Commerce, namely the payment