

leux sur ce point que, sur un état de compte dont une copie authentique a été placée sous nos yeux, nous voyons qu'il a perçu d'un contribuable, comme impôt sur le revenu, \$2.96, montant de la taxe, 15c de pénalité pour un retard, et 1c d'intérêt. On voit par là que l'Etat ne songe pas à laisser perdre la moindre parcelle de son droit.

Mais la même règle devrait s'appliquer aux contribuables, lorsque le gouvernement retient en sa possession de l'argent qui leur appartient. Lorsque des contribuables ont payé des sommes en trop, il faut toujours une longue procédure pour lui faire rendre cet excédent aux ayants-droit. Dans l'intervalle, le gouvernement a la jouissance de cet argent qui ne lui appartient pas, de sorte qu'il n'est que juste que, lorsqu'il rembourse, il ajoute à la somme principale l'intérêt. Et il n'est pas juste que le contribuable soit en pareil cas tenu de gagner en quelque sorte par des démarches multipliées ce qui lui est dû de plein droit. Une pareille loi existe aux Etats-Unis où le gouvernement, en conformité d'une disposition statutaire, effectue invariablement tous ses remboursements avec intérêt.

CALGARY DAILY HERALD

April 19, 1929

INTEREST ON REFUNDED TAXES

A comprehensive argument for the payment of interest by the Dominion government on all monies held by it and returnable to citizens has been issued by Mr. J. R. Dixon of Ottawa. He has long been active in the movement to obtain the refund of luxury taxes paid by automobile dealers after those taxes had been abolished.

The matter was dealt with by the Canadian Chamber of Commerce at its third annual convention in June last. A resolution was passed urging the federal government "to adopt the principle of payment of interest on all monies held by it and refundable to citizens, a course required by equity as the Government enjoys the use of such monies pending repayment and moreover, itself exacts interest on overdue payments on account of taxes, etc., in addition to believing in the justice of this principle, the Chamber is of the opinion that its adoption would make for the more prompt adjustment of the rights of business men and others by officials of the Government."

Mr. Dixon makes an exhaustive and convincing plea for the reform. What is asked is the payment of six per cent. simple interest by the government. This is the rate paid by the United States where the principle of allowing and paying interest on all refunds has long been recognized as not only fair and reasonable but as good business.

FINANCIAL TIMES, MONTREAL

April 19, 1929

INTEREST RULE SHOULD WORK TWO WAYS

This being the season for filing income tax returns, with payments based on self-assessment, wide interest will undoubtedly be taken in the agitation to have the government pay interest on all overpayments of taxes or on levies which may be improperly collected and later refunded.

Obviously the government is the only institution in the country which can hold other peoples' money without paying interest and itself collect interest on such funds. The individual, who, in his desire to properly interpret his obligation, pays more than he should, or the firm which pays taxes under protest, and is entitled to a refund, receive eventually only the amount actually due them. There is no allowance for interest. But the financial statement of the government shows that such sums, important in the aggregate, provide a substantial return in interest to the government as bank deposits.

There was a time long ago when the individual who collected interest was not well regarded by his fellows, but today payment of interest is so widely recognized as a sound principle that it is practically an automatic charge in financial and commercial transactions. Furthermore it is argued convincingly that the return of overpayments with interest, would encourage all those liable for taxation to be more prompt and liberal in their payments. Also—it is to be hoped—rebates would then be made more promptly.

We doubt the advisability of any democratic government retaining for itself benefits and privileges which are not accorded to the citizens. Tax-payers are immediately assessed for all payments which are overdue, why should the same rule not apply on the government's obligations?

LA PRESSE, MONTREAL

19 Avril 1929

DEMANDE RAISONNABLE

Lorsque nous avons fait écho aux réclamations des marchands d'automobiles du Dominion auprès du gouvernement fédéral pour se faire rembourser certaines sommes perçues à titre d'impôts et, affirmait-t-on, indûment retenues, nous croyions qu'il s'agissait toujours du rajustement rendu nécessaire par l'abolition de la taxe sur le luxe, en décembre 1920. On nous signale que ce différend a été réglé et qu'il s'agit d'une autre demande plus récente.

Il y a quelques années, au cours de la session de 1926,

Ottawa décidait de supprimer l'impôt d'accise de 5 pour cent sur les automobiles de fabrication domestique dont la valeur n'excédait pas \$1,200, et le gouvernement s'engageait à rembourser aux marchands d'automobiles le montant de cette taxe payé sur les automobiles achetées avant le 8 juin 1926 et en leur possession comme non vendus à cette date. Le total du remboursement s'élevait à \$300,000, somme qui a été presque entièrement remise aux marchands, mais sans intérêt. C'est cet intérêt que l'on demande aujourd'hui, au taux de six pour cent. En même temps, on prie le gouvernement d'amender les statuts de manière que, à l'avenir, le remboursement de n'importe quelle taxe non due se fasse automatiquement.

Les raisons que nous avons apportées à l'appui de la première requête des marchands d'automobiles valent également pour celle-ci. Qu'il s'agisse d'une taxe sur les articles de luxe ou d'un impôt d'accise, peu importe, le principe reste le même: le gouvernement ne saurait retenir une somme à laquelle il n'a pas droit, soit parce qu'elle a été perçue par erreur, soit parce que l'impôt lui-même a été aboli ou réduit. Et par remboursement, il faut entendre assurément et le capital et l'intérêt, comme on fait dans le cours ordinaire des affaires.

Ottawa ne tardera pas, sans doute, à régler cette question et à payer l'intérêt réclamé par les marchands d'automobiles. Nos législateurs fédéraux voudront aussi faire en sorte d'empêcher la répétition de pareils cas.

MANITOBA FREE PRESS, WINNIPEG

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REFUNDS SHOULD BE MADE

At the time of the reduction in duties on motor-cars in 1926, the automobile dealers made application for a refund on the luxury tax paid in advance on cars in their possession, and in due course received the sums due them from the Government. Since then they have endeavoured to procure refund on excise tax similarly paid in advance on their stocks of cars, but have not yet forced action upon the Government. There appears to be no reason why this request should be denied. An excise tax is in most cases a countervailing tax to offset partially at least customs duties, and a reduction of either duty should be followed by a refund.

Mr. J. R. Dixon, acting for the automobile dealers, has issued a brief on the subject in which he strongly urges that blanket legislation be passed to permit immediate refund by Government departments on all taxes collected in excess of the amounts justly due. This is also common sense. There is no reason whatever for special legislation to be passed to cover each particular case as it arises. To maintain such a system is only a subterfuge by the departments concerned to hang on to money to which they have no real right.

Mr. Dixon also demands the payment of interest on refunds due in the past, and wants it made retroactive to 1915, when the first of the taxes which have caused most of the worry were passed. In this, also, he appears to have reason on his side. If there is a moral obligation to make refunds of excess payments, there is no reason why the Government should withhold interest as well. The Government has had the use of the money, and the man who paid the excess has gone without. The only real questions for the Government to consider are the rate of interest which should be paid, and the length of time for which the legislation should be made retroactive.

THE MONETARY TIMES, TORONTO

April 19, 1929

SHOULD PAY INTEREST ON REFUNDS

The matter of payment of interest on all refunds made from time to time by the Dominion Government is one which is receiving some attention just now at the hands of those interested in the matter. Over the signature of James R. Dixon, of Ottawa, circulars have been sent out putting forward the case of those making claims for reimbursement in this connection, although as stated in his summary it is for the automobile dealers of Canada primarily that Mr. Dixon is making his appeal.

The requests which have been made for the payment of simple interest at the rate of six per cent. per annum do not appear to be unreasonable while the further request that payments be made retroactive to 1915 would also seem to be justified. In the appeal issued March 18, which has been widely circulated among all those likely to be interested, a great mass of detail is presented regarding various cases which have come under the notice of those who have taken the question up. These in short, deal largely with monies refunded by the government from time to time for the "excessive, wrongful or over-payment of customs duties, drawbacks, income, sales and excise taxes, cash deposits, fines, penalties, etc." as well as the "payment of balances of excise refund claims for five per cent. excise taxes paid in advance on Canadian-made automobiles valued at \$1,200 and under which remained on hand, unsold, in possession of dealers as of June 8, 1926, together with interest thereon to date of payment."

It would seem quite probable that the matter is one on which the government will prove to be sympathetic in so far as if monies have been over paid to the public treasury and a refund is being made interest, it is claimed should also be allowed. The fact that a refund is made is evidence in itself that the government has had the use