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The case for the payment of interest on money held by the federal treasury and later refunded to citizens has now been developed into a comprehensive summarized review by Mr. J. R. Dixon, of Ottawa, who was so closely identified with the movement to obtain the refund of luxury taxes paid by automobile dealers after those taxes had been suddenly abolished. The review is an exhaustive treatise on the whole subject, as well as being a 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 considerations 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.

QUEBEC CHRONICLE-TELEGRAPH

April 13, 1929

A JUST OBLIGATION

A year or so ago, after a protracted campaign, the Federal Government finally consented to refund to the automobile trade certain excess taxes collected from it, amounting in the aggregate to a very considerable sum of money. Now this same campaign has been re-opened with a view to obtaining payment of interest for the period that elapsed between collection of the assessment and its refunding.

Not only in this particular instance, however, but in all cases where there has been over-payment or wrongful payment to the Government, it would seem to be an elementary principle of justice that interest should be allowed on such payment for the time that the amount involved remains in the Dominion Treasury; the more so, in view of the fact that the Government itself charges and collects interest on all over-due remittances by private citizens.

Mr. J. R. Dixon of Ottawa has published a comprehensive review of the facts relating to and the discussion throughout Canada on the subject, from which it seems clear that there should be in Canada, as there is in the United States, a statutory provision for the payment of interest by the National Treasury on funds in its possession. Mr. Dixon cites a specific case. Mr. F. X. Belliveau overpaid excise taxes on forty-three automobiles as of June 8, 1926, in the sum of \$1,350.57. For two and a half years this money was in the Public Treasury earning interest to the amount of \$236.35. It is Mr. Belliveau's money, to be returned to him, but the interest he does not get. The money is returnable, it does not belong to the Treasury, yet the Treasury retains the interest. This inequitable dealing has been abandoned at Washington and automatically, as by statute provided, interest is now paid in all such cases. It should surely be so here. And the certainty of an equitable final adjustment would do a great deal to ease relations between the business of the country and the taxing authorities.

In June of last year the Canadian Chamber of Commerce, made up of representatives of 174 Boards of Trade and Chambers of Commerce throughout Canada, adopted the following resolution.

"Resolved, that the Federal Government be urged to adopt the principle of the payment of interest on all moneys held by it and refundable to citizens, a course required by equity, as the Government enjoys the use of such moneys 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 more prompt adjustment of the rights of business men and others by officials of the Government."

If this were done there would be less likelihood of long drawn-out delays in making adjustments which sometimes prove very trying. There would be a strong inducement to prompt and efficient handling of such matters. On every ground, in fact, we repeat that the Public Treasury should by statute undertake to pay interest, as a matter of course, on all refunds.

THE DAILY ONTARIO, BELLEVILLE, ONT.

April 15, 1929

INTEREST ON TAX REFUNDS

Last June a resolution was unanimously passed by the Canadian Chamber of Commerce at its third annual con-

vention in Quebec 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 giving reasons for the change in the present practice, the resolution pointed out that such a course is required by equity, as the government enjoys the use of money pending repayment, and, moreover, itself exacts interest on overdue payments on account of taxes.

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OTTAWA JOURNAL

April 15, 1929

INTEREST ON GOVERNMENT REFUNDS

For some years past there has been a growing feeling among the business community of Canada that the Dominion Government and the various Provincial Governments should definitely adopt the principle of paying interest on all moneys held by them and refundable to citizens. Such a practice is incorporated into the statutes of the United States, and there is no reason, certainly no just reason, why it should not be adopted by Governments in Canada. It is a matter of simple justice. A matter embraced in the obvious fact that no Government can possibly have the right to keep money belonging to one citizen and use the interest upon it for the benefit of another citizen. Mr. MEIGHEN, when he was in Parliament, laid it down that where there is a claim for principal there is a claim for interest just as strong; and the stark truth is that to combat that doctrine is to argue for confiscation. That, and nothing less.

What we have in mind at the moment is a document that has just been issued by Mr. JAMES R. DIXON, of Ottawa, entitled "A Nation-wide Appeal for the Payment of Interest on all Refunds made from time to time by the Dominion Government." Mr. DIXON is primarily concerned with certain refunds and interest due to automobile dealers, but his comprehensive review of the principle involved applies to the refund question as a whole. It is, no matter how regarded, an exceptionally able and useful paper—a model for all who essay to place a case for anything or anybody before Government or Parliament.

As Mr. DIXON's review is in the hands of the members of the Government, as well as before members of Parliament, members of Legislatures, and members of all Boards of Trade, Chambers of Commerce and other business organizations, no need exists to review its arguments. It is sufficient to state that, in THE JOURNAL's judgment, it constitutes an unanswerable case, one which no Government can lightly ignore. For our own part, we should like to see the Government and Parliament take action along the lines indicated by Mr. DIXON without further delay. In so doing they would be but introducing a right principle, and one that would confer a considerable benefit upon the business community of the nation.

LE DROIT, OTTAWA

16 Avril 1929

UNE MESURE DE JUSTICE

Il arrive que, pour une raison ou pour une autre, le gouvernement surtaxe des citoyens ou que ceux-ci payent en taxes au bureau du Revenu plus qu'ils ne l'auraient dû.

Lorsqu'une erreur de ce genre est reconnue et prouvée, le gouvernement a remis la différence entre ce que le contribuable lésé devait payer en stricte justice et ce qu'il paya en réalité. C'est la pratique actuelle.

Cette pratique ne concorde point malheureusement avec la simple justice. Supposons, par exemple, qu'un citoyen ait payé, en 1918, pour des taxes quelconques, \$2,000 de trop et que cette erreur soit reconnue par le