

THE "GOLDEN RULE" IS THE BEDROCK FOUNDATION AND GUIDING PRINCIPLE OF THE PROPOSED "AMENDMENT" WHICH, IN PRACTICE, WOULD SAFEGUARD THE MINORITY RIGHTS OF CITIZENS AND YET "RENDER UNTO CAESAR THE THINGS THAT ARE CAESAR'S".

Actual Statement of Account showing how the remedial retroactive provisions of subsections 5 and 6 of the proposed "Amendment", to be known or designated as "Section 91A" of "The Consolidated Revenue and Audit Act", would work out in actual practice. This Example of an actual account outstanding, and which has been rendered to the Dominion Government by the Ottawa Beach Motor Co., Limited, illustrates the method of computing interest on a retroactive claim of long standing on which only the principal sum involved has been paid. The same principle or method will apply in all cases, regardless of the amount or period of time involved in any claim for past due interest. (The future date of March 31, 1933, being the end of the Government present fiscal year, is used merely as the earliest probable date of settlement, hence interest is computed to that date.)

OTTAWA BEACH MOTOR CO., LIMITED
In account with
THE DOMINION GOVERNMENT, OTTAWA, CANADA

	DR.	CR.
June 8, 1926—To Excise Taxes previously overpaid on 40 domestic automobiles remaining on hand and unsold when Tax was repealed by Parliament, effective on this date.....	\$ 1,216.39	
Jan. 11, 1929—To 6% per annum simple interest on \$1,216.39 as from the various dates of payment between Jan. 21, and June 3, 1926, inclusive, to this date.....	199.36	
Jan. 11, 1929—By Departmental cheques received on account of the principal sum only on this date.....		\$ 1,216.39
Balance.....		199.36
	<u>\$ 1,415.75</u>	<u>\$ 1,415.75</u>

Jan. 11, 1929—To Balance brought down.....	\$ 199.36	
Mar. 31, 1933—To 6% interest on above Balance of \$199.36 from Jan. 11, 1929, to this date.....	50.49	
Mar. 31, 1933—To Balance outstanding as of this date.....	<u>\$ 249.85</u>	

(Please note carefully that whereas the Beach Co. seek to recover only 6% per annum simple interest, or \$249.85, from the Crown, their actual cost in interest carrying charges to replace their working cash capital of \$1,216.39 while retained in the possession and service of the Crown for the above periods was equivalent to Bank interest of 7% compounded quarterly and paid in advance, as follows:)

Jan. 11, 1929—To 7% Bank interest on \$1,216.39 as from the various dates of payment—Jan. 21, and June 3, 1926, inclusive, to this date....	\$ 256.06	
Mar. 31, 1933—To 7% Bank interest on \$256.06 as from Jan. 11, 1929, to this date.....	87.01	
Mar. 31, 1933—Actual loss in interest carrying charges at 7%, compounded quarterly, as paid to Bank.....	\$ 343.07	
Mar. 31, 1933—Actual loss in interest carrying charges based on 6% per annum simple interest as claimed above.....	249.85	
Mar. 31, 1933—Actual net loss or differential to be sustained and absorbed by the Beach Co. Limited, assuming the Crown allows and pays them 6% simple interest, or \$249.85, as requested in their Statement of Claim, as above shown, is, therefore.....	<u>\$ 93.22</u>	

NOTE:—This claim is but one of 1453 claims arising from the same cause, in the total original principal sum of \$ 291,706.16
 The non-payment of interest thereon, calculated on the above basis, represents a totally unnecessary, undeserved injury and net loss to the Claimants, with a consequent unearned and undeserved net gain or profit to the Crown of approximately..... \$ 50,000.00
 The proposed "Amendment," if enacted, would provide remedial redress for all Claimants, such as the above, and automatically prevent any recurrence of similar inequities in the future.

The urgent need of this "Amendment" is further emphasized by the following significant figures:—In four fiscal years, 1927-28 to 1930-31, inclusive, Canada's collections of War Tax Revenues, only, including interest on deferred payments of \$4,889,428.95, and penalties of \$374,885.71, totaled \$545,530,354.86. From this sum overpayments of \$8,774,886.80 were refunded to taxpayers, but for want of general statutory provisions (such as the proposed "Amendment") not one dollar (\$1.00) of interest was paid thereon by the Crown to any taxpayer.