

my colleagues agreed with me, that the whole policy should be announced at the same time in the broadcast I made on November 17.

I was perfectly well aware, and the members of the government were well aware, that up to that time the government's proposal to impose taxation had not been announced when parliament was not sitting. It would have been, of course, perfectly open to the government to say, "When parliament meets we intend to ask the house to impose excise taxes of this kind," but every member of the committee would realize that that course of action would be unthinkable. It would have allowed speculative advantage to be taken by anyone who cared to do so. So that the conclusion was arrived at that we should announce our whole policy at the same time, and I should announce that when parliament met parliament would be asked to impose certain excise taxes retroactive to November 17, the date on which I made my announcement. And that is what parliament is being asked to do today.

As I have said on a number of occasions, no one is today under any legal obligation to pay these taxes. One may say, "Yes; they are paying them." Of course they are paying them, but the public assumes that parliament will pass these taxes and make them effective, as the government has asked, from the 17th day of November, 1947. If parliament does not pass them, everyone who has paid such a tax will be entitled to a refund. That is the position and it is just as simple as that.

An hon. MEMBER: Do you get interest on it?

Mr. ABBOTT: I have never contended, nor has any member of the government contended, that in law these taxes are effective today. They are not effective until parliament has seen fit to pass the appropriate legislation. There is a difference, it is true, between the situation as it exists today and the situation that exists when the Minister of Finance announces, while the house is in session, that certain taxes are proposed and will be made effective from the date of his announcement. The taxes, as everyone knows, are not passed as a rule until some weeks afterwards. The difference in this case was that I announced some two or three weeks in advance of parliament being in session—although it had been announced that parliament was called—that it was the government's intention and my intention, when parliament was convened, to ask parliament to enact these particular taxes effective from November 17. The conclusion that I arrived at and that the government

arrived at after a great deal of consideration was that the circumstances were so exceptional and the emergency was so great that that action should be taken. It is open to any hon. member to criticize that action, but it is not correct to say that taxes were imposed without the consent of parliament, because they were not.

Mr. JAENICKE: I listened with a great deal of interest to the minister and also to the hon. member for Lake Centre. I am sorry, but I cannot agree at all with the minister in his position and in his attitude. I must endorse the argument of the hon. member for Lake Centre. I think the strong language he used was entirely justified. I myself have done some reading in connection with this matter, and I came to the same conclusion as the hon. member for Lake Centre, but possibly in a different way. As a matter of fact, I go farther than he does. I maintain that the minister has no power to impose any taxation even when parliament is in session.

Mr. ABBOTT: The minister agrees with you.

Mr. JAENICKE: That is, as far as Canada is concerned. I found my law in Anson's "Law and Custom of the Constitution", volume 1, the fifth edition, where I find the following:

It is usual for any resolutions of the committee of ways and means agreeing to the renewal of old or the imposition of new taxes to be passed on the day on which the chancellor of the exchequer makes his annual budget statement to the committee; and it had long been the practice to treat them as having the force of law and to begin forthwith the collection of the taxes to which they referred. This practice was convenient to the exchequer, and not inconvenient to the taxpayer; but its legality was challenged in the case of *Bowles vs. Bank of England*.

That case is, I think, exactly on all fours with the present situation. The case is reported in *Chancery* (1913) at page 57. The facts of the case are shortly these. The plaintiff *Bowles* had some bonds and the Bank of England paid out the interest on those bonds. It must also be noted that at that time—that is, in 1912 and 1913 when this case was decided—the income tax act of Britain was a yearly tax act; it was not a permanent tax act. It was re-enacted every year in the month of April, and it expired in April, 1912. The intention was that it be re-enacted, and a resolution was presented to parliament. The interest on these bonds fell due in July, and the plaintiff notified the Bank of England not to pay the tax on that interest because it could not be legally collected. He finally