

On section 11—When provisions of Act come into force:

Hon. Mr. ROCHE: The retroactive effect of this section might cause an injustice to a person who had good grounds for a certain interpretation of this Act. He may have been right in his interpretation of the existing Act, and the claims which he may make are perhaps absolutely legal, but this proposed amendment cuts the ground from under him by placing a new interpretation on the Act and making it conform to the interpretation placed upon it by the Tax Inspectors.

Hon. Mr. ROBERTSON: May I inquire of the honourable leader of the Government, what is the reason that the effective dates referred to in this clause range all the way from 1917 to 1924. The first subsection makes section 1 of the Act retroactive to 1917. There must be some good reason for making legislation retroactive for six years.

Hon. Mr. ROCHE: I would like to emphasize what the honourable gentleman has said. We have people who are right in their contentions as against the tax inspectors or tax levyers. By this retroactive clause a person who is now correct in his contention may be put in the wrong, and be deprived of his legal standing. That is very bad legislation, and legislation which would be resented by the country generally.

Hon. Mr. DANDURAND: The statement which I have from the Department is to the following effect. There have been a number of amendments made at various dates to the Act of 1917. The amendments now proposed are intended to be retroactive only to the date of the amendment:

(1) Section one of this Act shall be deemed to have come into force at the commencement of the 1917 taxation period and to be applicable thereto and to subsequent periods.

Hon. Mr. CASGRAIN: This does not change the position of those who may have had claims under the various Acts.

Hon. Mr. ROBERTSON: That perhaps explains fairly the reasons why the different dates appear. But does my honourable friend think that it is good legislation to change a statute by making its effect retroactive for six years? Take, for example, the Criminal Code, which we amended an hour ago. Suppose we were to say that the amendments were to be retroactive in their effect for six years. It would appear ridiculous, it seems to me.

Hon. Mr. BEIQUÉ: But I think there is no comparison to be made between the two

Hon. Mr. McMEANS.

cases. Here is a debt which should have been paid and was not; perhaps because the party liable was not duly informed or was granted a delay. At any rate, he should not, in fairness to other persons who are taxed and have paid their taxes, be allowed to escape payment. It is a debt to the Crown. As has been stated by the honourable leader of the Government it is a moral debt that still exists, notwithstanding the delay which was not supposed to prevent the collection of the tax, but was considered to be sufficient to enable the Government to collect it.

Hon. Mr. ROBERTSON: But if the taxpayer pays his taxes in good faith and in compliance with the law in force to-day, is it fair to call upon him six years later to pay six years' arrears of taxes simply because the law is changed?

Hon. Mr. DANDURAND: I may inform my honourable friend that there is no such case. Any legislation which would increase the obligation of the subject by a retroactive clause would be bad, but this is simply to maintain and preserve the rights of the subject in absolutely equality with those of his fellow citizens.

Hon. Mr. BELCOURT: Oh, no, that is not so. We must not pass this section on that interpretation, because it is not correct.

Hon. Mr. DANDURAND: That is the information I have from the Department.

Hon. Mr. BELCOURT: Well, the information is wrong. You are making this retroactive for six years.

Hon. Mr. DANDURAND: Give us one clause as an example.

Hon. Mr. BELCOURT: That is what I am trying to do if you will let me. Subsection one makes section one of the Income War Tax Act of 1917 retroactive, as my honourable friend from Welland (Hon. Mr. Robertson) has said, for six years. Now, what does it authorize the Minister to do?

1. Paragraph (f) of subsection one of section three of The Income War Tax Act, 1917, is hereby repealed and the following substituted therefor:

"(f) In any case the income of a taxpayer shall be deemed to be not less than the income derived from his chief position, occupation, trade, business or calling, and for the purposes of this Act the Minister shall have full power to determine the chief position, occupation, trade, business or calling of the taxpayer. Where a taxpayer has income from more than one source by virtue of filling or exercising more than one position, occupation, trade, business or calling, then the Minister shall have full power to determine which one or more, or which combination thereof shall for the purpose of this Act, constitute the taxpayer's chief position, occu-