Taxation and the constitution

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In this lecture Lindsay McKay explores the notion that, in reserving the taxing power to Parliament alone, the Bill of Rights 1689 presents a threat to the interests of every citizen. The argument is developed by reference to specific New Zealand tax law examples.

To regard a matter as one to which we attach the label "constitutional" that matter must presumably be one which relates to a core, a fundamental element, of the relationship between state and citizen, or between citizen and citizen.

So let me start this analysis by summarising the principal respects in which the constitution, or at least constitutional notions as I have just generally defined them, impinge upon our tax system.

They do so essentially in only two ways. They apply, first, to the regulation of the administration of the tax system. In that context they require the state, through its executive officers and most significantly through the head of the Inland Revenue Department, the Commissioner of Inland Revenue, to administer the tax legislation as it stands from time to time in accordance with, and under the direction of, a wide range of duties and obligations. The definition of these duties is primarily, though not exclusively, the province of the judiciary. We would not usually, I imagine, term each of those specific duties "constitutional" in character. Their specific content has, however, been determined in accordance with what we may quite properly call a constitutional sense in that they are derivative from and illustrative of general themes or notions of the rule of law, of fair play, of even handedness, of equality and consistency in the application of discretions, and, of course, of compliance with the terms of the tax legislation.

Looking at the matter in the most general way, the content of these duties and obligations does not differ significantly from those duties to which administrative officers of government generally have been made subject.

That the Commissioner of Inland Revenue and other departmental officers are subject to this variety of constraints is not, of course, surprising, and is precisely the position we would expect to find. For the powers and authorities wielded by the commissioner, and the consequences of their application to the

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public, are of significant dimensions, involving as they do the levying of approximately $3,000 a year from every person in the country.

Nor is it surprising that, to perhaps a somewhat greater extent than in many other areas, the degree of judicial supervision of his actions has discernibly increased in recent years. In part that is a reflection of a growth in judicial activism in the area of administrative law generally. In part too I suspect, however, it is a product of a recognition of the consideration that taxation, and particularly income taxation, has increased in practical significance by an almost breathtaking extent over recent decades. Within the living memory of some, the average amount of taxation revenue levied from each individual has increased by twelve hundred per cent in real terms and the share of that contributed by income tax has increased 25-fold from its levels at the end of the century.

It is not perhaps surprising that the degree and rigour of judicial supervision appropriate to times when tax, if it hit at all, did so at threepence or sixpence in the pound, is no longer appropriate in times when average rates are around 40 cents in the dollar and rise to 66% for many taxpayers.

So, the commissioner is, as we would expect, tightly circumscribed by judicial and statutory supervision. To the credit of successive Commissioners of Inland Revenue, and one suspects not only because they are subject to such control, commissioners have by and large done a very good job indeed in administering the taxation legislation. They have acted in a generally disciplined manner, regarded even-handedness and equality of treatment between taxpayers as a paramount imperative, and by and large have administered a highly complex and sophisticated Act in an efficient and disciplined manner.

In this they are supported by a taxpaying public which by international standards is itself a highly disciplined one. Our taxing Acts, and in particular the Income Tax Act 1976, are firmly based upon the notion of voluntary compliance and, albeit buttressed by the PAYE system which significantly reduces the capacity for taxpayers to evade their liabilities, by and large the degree of voluntary compliance is high. Evasion is certainly far less widespread than in many jurisdictions.

So, I believe it to be fair to say that in relation to this first element of the relationship between constitutional concepts and taxation, our record, or, if you like, the impact, of these constitutional considerations is a satisfactory one. Not perfect; the commissioner is prey to the weaknesses and failings and temptations of all those in authority to sometimes cut a corner or indulge in imaginative and excessively expansive and self-serving interpretations of his powers; and taxpayers for their own part are far from immune from similar tendencies. But given both the complexities of the Act and the extremely large sums involved, the degree to which the system works in an efficient and broadly consistent manner is quite remarkable.

In summarising the position in this very generalised and sketchy manner, I am doing something of a disservice to the first of the two areas of interaction between the constitution and taxation. It deserves, I acknowledge, far more

detailed treatment than I have given it. In some senses, the administrative law notions to which I refer have come late to the area of taxation, and the result is that there are still some respects in which the commissioner is something of an officer apart from other state functionaries. There are also some areas in which the full and detailed content of the rules by which the Act is administered remain to be fully worked out in the somewhat special context of the Income Tax Act. Either of those matters could be usefully pursued. So, too, could the particular relationship between the commissioner and the legislation which he applies. It is well established — and of some significance to the principal themes of my address — that the commissioner does not himself impose income tax, but simply quantifies a liability imposed by the Act. That is an interesting constitutional concept, however much of a fiction it is in terms of day to day operation of the Act, and one which would more than justify further analysis.

I propose, however, to bypass these and other issues. I do so not because I believe they are not interesting or meriting of analysis, but simply because in the time available I believe it is more important to concentrate upon the second area of interaction between the constitution and the exercise of the taxing power. And I turn to that now.

The second of these propositions relates not to the administration of tax legislation, but rather to the exercise of the taxing power itself. And this is the proposition which I suppose really represents the principal, and perhaps the sole, generally accepted constitutional principle per se in the area of taxation: namely, that our constitution recognises no original authority other than that of Parliament to exercise the power to impose taxes upon the public.

This is a comfortable notion. It creates a feeling of well-being and security. Its message to the citizenry is "Have no fear. You are protected. Nobody, no agency, no authority, can purport to tax you unless we, unless Parliament, have agreed". The very language with which it is expressed creates a feeling of safety, of security, for it is, of course, expressed as a prohibition on those in authority and thus as a protection for those over whom this authority extends.

This aura, this impression, is fostered by the form of its expression in the Bill of Rights, in which it was first authoritatively laid down, and furthered by the reverence with which it has been regarded by the judges and the rhetorical fervour with which it has been judicially embraced.

Let me give you an example, drawn from the judgment of one of the eminent members of the United Kingdom judiciary, in which this general tone is evident. The extract is from *Attorney-General* v. *Wilts United Dairy Ltd.*[1] Listen carefully to the language in which the proposition is expressed:

> No power to make a charge upon the subject for the use of the Crown could arise except by virtue of the prerogative or by statute, and the alleged right under the prerogative was disposed of finally by the Bill of Rights (1 W. and M., sess, 2, c.2). It may be convenient at this stage to remind ourselves of this statute, an act for declaring the rights and liberties of the subject. After reciting that the late King, by

1 (1921) 37 T.L.R. 884, 886.

> the assistance of divers evil counsellors, judges, and ministers, employed by him, did endeavour to subvert and extirpate . . . the laws and liberties of this kingdom . . . by levying money for and to the use of the Crown by pretence of prerogative for other time and in other manner than the same was granted by Parliament . . . all which are utterly and directly contrary to the known laws and statutes and freedom of this realm, the lords and commons declare that levying money for or to the use of the Crown [as above] is illegal; and pray that it may be declared and enacted that all and singular the rights and liberties asserted and claimed in the above declaration are the true ancient and indubitable rights and liberties of the people of this kingdom and shall be strictly holden and observed . . . and shall stand, remain and be the law of this realm for ever. . . .

This gives us, as it is intended to, a warm glow. Our rights, our liberties, are being protected. We are being protected from the evil counsellors, ministers and judges who want to subvert our liberties.

But once the extravagance of the rhetoric subsides, and we sit back and consider both the relevance and impact of this philosophy, two things become at once apparent. First, that while expressed as a prohibition on others against the assertion of an original authority to levy taxes, the proposition inherently asserts the positive right of Parliament to levy tax, and in a manner which is as a matter of form free of any limits and boundaries at all.

Secondly, if we go on to ask what we, the citizenry, secure in exchange for implicitly agreeing to subject ourselves to this untrammelled parliamentary taxing power, we cannot help but find, at least in New Zealand, and at least in 1984, that there is a conspicuous shortage of evil kings, evil counsellors and even evil judges hell-bent on threatening our lives and liberties.

So what is the quid for the quo? Who is the rule protecting us against? Who is it out there, waiting in the wings, lusting after our property and our income, the restraining of whom is so essential that our liberties can only be protected by conferring upon Parliament an untrammelled power, the implications of which are awesome in its dimensions? Arguably, the New Zealand equivalents of the Wiltshire Dairy, who want to put a twopenny levy on each gallon of our milk, but I don't really regard that as a sufficiently serious threat to justify the response. But, realistically, no-one, I suggest. No-one at all. Whatever might be the position in some other jurisdictions, where political and social power is more diffusely spread, the concentration and centralisation of authority in Parliament and therefore in Cabinet, is so overwhelming as to render completely fanciful the proposition that our liberties are protected by concentrating that power in the manner and to the extent it is presently vested.

It may not always have been so. It may have been that in 1689 the price was worth the benefit, though historical evidence does not dispel the cynical view that all that the Bill of Rights really amounted to was a power sharing exercise aimed at spreading a bit more widely the rights to "rip off" the disenfranchised. But today the real impact of this principle is not in our protection but in the threat to us which always inheres in an unrestrained and unrestrainable power without formal safeguard for its responsible exercise.

There is absolutely nothing profound in this. It is merely the application to

a taxing context of a position which the doctrine of the sovereignty of Parliament has brought us to in all areas of law.

Yet the seriousness of this position in the context of taxation appears to me to be as great if it is not greater than in any other area. Certainly, it is my personal conviction that the absence of formal constraints on the exercise by Parliament of the taxing power is of significantly greater concern in a constitutional context than is their absence in respect of what we might call our political or civil liberties. Whether that emphasis is correct or not, what in my view cannot be doubted is that the so-called protections of the Bill of Rights in respect of the taxing power are in fact threats, and that they must be of grave concern in a constitutional sense.

And I want to turn now to an elaboration of the reasons why I think that is so.

First, and crucially, is the impact of taxation as an instrument in moulding the nature of our social, economic and, indirectly, political, structure. In my judgment there is nothing, short of direct takeover of civil government by the armed forces, that has as great a capacity as taxation to significantly mould and alter our social fabric. You are here tonight because of taxation. This building stands because of it. You have a law faculty because of it. The physical face of Wellington reflects its impact, and not only in the obvious respect that the phlethora of government buildings are financed from it. You simply cannot carry out the most basic day-to-day tasks without coming across numerous examples of it and the product of it.

In less obvious, but still direct, ways, its impact permeates our social and business face. The nature of the cars we drive, their age, their engine size, are products of it. The nature of the way we, or our parents, are reimbursed in our employment, the ways our business enterprises are structured, the investment decisions we make, are all heavily tax-related.

So, too, most obviously, and most directly, are the amounts we actually receive from our labour and our investment capital. I have already mentioned that each citizen contributes an average $3,000 by way of tax each year. But it is obviously contributed in substantially different amounts.

We tend to regard taxation as simply a means by which governments raise revenue. Certainly, the taxing power has traditionally been so regarded in this country. Our comments, our criticisms, our analysis, have accordingly been directed at the uses to which that revenue is put. We argue for more, or less, defence, fewer or more generous benefits, greater or lesser numbers of police. That form of analysis is vital, and in and of itself is impliedly an argument about taxation. But it is only part, and the less important part, of the picture. For every dollar spent, a dollar is taken in taxation. And the taking, and in particular the taking from whom, are issues of at least as much if not more significance as social instruments.

I want to use the farming industry as an example. Farmers as a group, and in a tax sense, take rather than provide. They contribute very little to the tax

take. The amount they do give is far exceeded by the amount they receive from it in the form of tax credits, grants, loans, incentives of one sort or another. They, in fact, gain from the tax system to the tune of tens, possibly hundreds, of millions of dollars a year.

They do so for a number of reasons. They do so principally because they operate under a tax regime which encourages them to run at a small profit and invest back in the farm in the form of increased numbers of stock, fencing, roading, fertiliser, and other aids to increased production. As a rule they live poor while the asset is enhanced.

As a result, when they retire, and sell the farm, they are possessed of enormously valuable assets of values which, even in these inflationary times, are staggering. They take that free of tax, as we do not have a capital gains tax.

Most wage and salary earners' income and capital flows are quite different. Their income flow is greater but because of the burden of income tax on that and because they cannot by and large shelter that income through channelling it into asset enhancement, they seldom have an opportunity to build up a capital asset of any proportion. Unlike the farmer, who lives poor and dies rich, the wage and salary earner dies poor and probably lives that way too.

These general patterns, and distinctions, are not inherent in the nature of farming on the one hand and wage and salary earners on the other. Rather, they are principally the product of the tax system. Each element of these patterns, and a multitude of specific day-to-day decisions made by each of our two hypothetical taxpaying groups, will bear its impact.

For each and every element of the tax structure is the product of a decision, deliberately made by Parliament. There is no element of it that is not the product of choice. And each decision benefits some, and prejudices others, both on the spending and levying side.

Such is the impact of taxation, so vital is it to the character, the quality, of both our day-to-day lives as individuals, and the overall social face of our society, that it seems to me to be a matter of constitutional significance in any real sense of that term. And, although a comparison of the tangible and intangible is difficult, it seems to me to be of weightier and greater significance than many elements of our political and civil and democratic rights to which we freely attach labels of constitutional significance.

That we view taxation in this manner is not, perhaps, surprising. While there is unlikely to have ever been a time or place in which those in authority did not levy some form of taxation upon those subject to the authority, it is only in very recent times, historically viewed, that taxation has assumed the significance that it presently occupies. We have not yet become habitualised to seeing taxation in constitutional terms.

It is quite the reverse, however, with what we might call our traditional civil and political liberties. While, perhaps perversely, these liberties bore a far less important connection with the historical events which culminated in the articulation

of the doctrine of sovereignty in the seventeenth century than did issues of taxation, they have over the last 150 years at least become legitimated and encrusted with a fundamental philosophical and political character. We are, as a result, likely, even habitualised, to see even the narrowest of issues falling under the general rubric of political and civil liberties in constitutional terms, and to invoke the force of constitutional labels and rhetoric by way of their defence. In the last week, for instance, I have heard constitutional notions such as "the rule of law", "executive propriety", "democratic liberties", and indeed even "protection of the constitution" used in relation to unauthorised letter-opening by the Post Office, an authorised seizure of contraceptive pills to test for prohibitive drugs, the cost of the Te Marua lakes, and a lecherous glance at a shop assistant by a police constable.

None of this offends me. I use the rhetoric myself. I believe it is properly employed. I believe that both Parliament and those state functionaries who carry out the authorities it confers need to be constantly reminded of the importance of the constitutional position that they occupy and the constraints the rule of law imposes upon them. I do not think we debase the coinage by attaching these rather weighty labels to what some would say, though I would not, were insignificant events.

Yet there is to me an irony in this. For that same citizen who objects to the police offering a free taxi-ride to Taumarunui street kids is, usually unknowingly, subject to what I personally would regard as far more potentially abusive treatment at the hands of the overall tax system to which Parliament has subjected him or her.

Why then do we not see taxation in constitutional terms? I have already attempted to give some explanation for that. A further explanation perhaps relates to the complexity of the tax structure, and the ignorance in the non-pejorative sense of virtually all taxpayers with respect to elements of it other than those of the most direct concern to them. It is indeed, one has to acknowledge, extraordinarily difficult to get a handle upon the system in the round, and to see its defects, its unfairness, those deliberate decisions which work to the disadvantage of the many to the benefit of the few.

It is far easier to complain of a particular parcel being damaged by a customs inspection than it is of the possible unfairness of a system which sees the purchase of a stamp or box of matches as an occasion to levy tax, but not the transfer from a rich father to a rich child of an estate valued at $450,000. It is far easier to complain of an arbitrary or unauthorised detention for a brief period of time than it is to question the propriety of a tax structure which makes income tax virtually an elective or discretionary tax for most members of the farming community yet, through the awesome efficiency of the PAYE system, levies far more by way of annual contribution to the running of the state from a taxpayer earning $15,000 a year than from a taxpayer with assets running into the millions.

My suggestions to this point have been concerned to argue that the exercise of the taxing power is of enormous importance to us in a myriad of major and

minor wrongs and that in those circumstances the fact that it is formally untrammelled and unreviewable must be a source of significant concern, quite apart from how that power is exercised in any given case. I want to turn now to discuss a more specific phenomenon which seems to me to give an ominous twist to much of what I have been saying and to heighten the difficulties and concerns I have identified.

We may conceivably disagree over whether capital gains tax should be taxed; over whether business taxpayers should be offered a more preferential regime than their employees; over whether vast estates should be passed tax free; over whether the income tax should be used as a farmers' and manufacturers' benefit; and the like. I can live with that. As long as we know that when we debate these issues we are really addressing the question of the spread of wealth within our society and that the society which is a product of one set of answers is quite different from that which is the product of others.

What I regard as being beyond the realm of debate, however, is that some specific taxing legislation adopted by Parliament in recent years goes beyond the point of representing legitimate responses to hard questions and enters the realm of the discriminatory and abusive.

I want to illustrate this contention by reference to amending legislation enacted by Parliament over the last two years to the Income Tax Act. And I want to take as a particular example the claw-back on interest provision enacted as section 129 of the Income Tax Act 1976 by the Income Tax Amendment Act 1982.

I select this example, not because I regard it as the worst illustration of a trend, but because it has achieved a degree of notoriety and because it is as a result rather simpler to take as an example.

Section 129 of the Act provides in summary form that when a taxpayer has taken a deduction against his or her income for an interest expenditure incurred by him or her, and later sells the property in respect of which the interest is paid at a profit, the profit is assessable to the extent of the interest deduction taken. So, if I purchase a rental property for $40,000 on borrowed funds, incur $6,000 interest a year and take that $6,000 as a deduction against my other assessable income for a four-year period, and then sell the property at the end of the period of four years for $64,000 I am assessable for the extent of $24,000, the interest deduction taken in total of my gain.

The substance of the provision is perfectly rational. It is perfectly reasonable tax policy. While one is entitled to ask whether a better and more rational way of dealing with the underlying legislative concerns would not have been the imposition of a direct capital gains tax per se, it is beyond question an entirely proper manner for Parliament to regulate an area of specific concern to it. But that is not the real issue with section 129. That did not cause the concern which the provision in fact engendered. What did cause concern was that the provision was introduced in a manner which was substantially retrospective in character in that it applied to property sold after the coming into force of the amendment, and not just property acquired and interest deductions taken after

its coming into force. The result was that taxpayers who had purchased property on borrowed funds at a time when the law said they could deduct in full and still take all their capital profits tax-free, were subject to a retrospective alteration of the rules of the game.

Retrospectivity can seldom be justified. It can never be so, in my judgment, in property law areas where its effect, and worst of all its purpose, is to upset and alter the legal effect of existing contractual property arrangements which were perfectly valid under the law at the time those arrangements were entered into.

That is enough to condemn the section. Its vices, however, are compounded by the fact that it was also discriminatory in its impact through a number of exceptions being granted to it as the direct product of pressure from sectional interest groups which were granted concessions justifiable on no rational or legitimate basis. The farming industry for instance fares very well under the provision.

Section 129 is a thoroughly bad piece of legislation. In my opinion it is an abuse of Parliament's authority. But it is not atypical. While the most publicised of the 1982 amendments, it was far from the only one which possessed striking features of retrospectivity and discriminatory treatment.

The 1983 Act was no better. It contained, in fact, 22 different retrospective provisions, only a very small number of which fell within the category of "beneficial retrospectivity" which is the traditional basis for justifying such legislation, in that they sought to correct an unintended adverse effect brought about under the previous law.

Indeed, the whole Act was retrospective in the sense that other than those provisions in respect of which a specific commencement date was specified, the Act was deemed to operate in respect of income derived in the year commencing 1 April 1984. Such a commencement date is inherently retrospective. Income is taxed on an annual basis, but for the most part it arises under contractual agreements or arrangements of relatively long standing duration. Any amendment, the timing of which is based on income derived, rather than the date upon which the contracts giving rise to income were entered into, is therefore retrospective. It is altering the rules of the game after it has started.

The apparently increasing frequency which this approach is being resorted to is an illustration to me that Parliament's formally untrammelled powers of taxation are not only a concern at the theoretical or conceptual level, but that we are in danger of seeing those risks materialise.

"Ok", you might say, "we would prefer not to see retrospective legislation, but it is hardly as oppressive or offensive in this area as in others. After all, the legislation is really aimed at tax avoiders who are not paying their fair share of tax. They know they are in a risky business. They take their chances, but it is hardly as if fundamental constitutional principles were threatened." It seems to me that this reasoning is totally unsatisfactory. First, it is factually incorrect that taxpayers affected by discriminatory and retrospective legislation

conform with any such stereotypes at all. Though few of us would know it, it is highly unlikely that any of us here has not been affected by retrospective legislation, and in an adverse manner.

Even if we leave that consideration aside completely, however, and assume that the stereotype is correct, it is my opinion that these features and practices remain matters of grave concern. I reach that conclusion for a number of reasons. First, because I believe bad habits are contagious. There is a clear risk that practices which are seen by Parliament to be convenient — and abuses which are seen to be achievable — in one area are too tempting not to be used in others.

Secondly, the example is bad to those who must administer the Act, and there are already some signs of abrupt changes in departmental practice which, in many senses, have the same effects and consequences to taxpayers as retrospective legislation passed by Parliament itself. Indeed, in one sense, an abrupt change of departmental policy on the part of the commissioner is more unsettling to taxpayers affected by that change than retrospective legislation. Whatever the vices of such legislation, it usually nevertheless serves the result of clarifying the tax position and the tax liability of the taxpayers affected. Changes in departmental practice seldom have this result. It will often take a period of years before the propriety of the commissioner's change of mind is tested before the Taxation Review Authority or the High Court and the liabilities of taxpayers therefore determined. Haphazard and arbitrary application of the tax laws follow and tax will be imposed on the basis of who has the enthusiasm, or the financial support, to carry the fight through. My fear is that the example set by Parliament itself may encourage the commissioner to attempt to short-circuit the Parliamentary process by changes in departmental policy which, while not so totally bereft of legislative support as to be reviewable by judicial procedures, are nevertheless, in essence, the imposition of tax by administrative edict rather than by statute. That is a bad thing.

Finally, however, and I believe most significantly, retrospectivity of the frequency and for the purposes it is coming to be used in the tax area involves a quite fundamental reversal of what in my opinion constitutional notions suggest should be the relationship between state and citizen. Tax is an exaction. It is an assertion of state will and state authority over private property. Though its forms and trappings are well disguised, it is in both intention and result the same phenomenon as the robber-baron with twelve men-at-arms exacting under threat of sanction the share of a subject's wealth to which the baron deems himself to be entitled.

Of course, under the social contract under which we operate, we regard the state as entitled to exercise this authority, and have implicitly consented to the exaction. But the fact that we cannot complain does not make it any less an exaction of our private wealth, nor is this feature diminished by the meritoriousness of most of the uses to which the revenue is put.

Why should those who take steps to reduce or minimise the amount of this exaction be regarded as deserving a response of the character that I have outlined?

We do not admire the defendant in a criminal prosecution who takes a technical defence. We nevertheless regard it as his or her right to do so. We regard it, in turn, as a perfectly proper response for Parliament to contemplate a change in the law to attempt to ensure that the loophole is no longer available in future cases. But we would see it as a gross abuse of Parliament's power for the law to be changed retrospectively so as to catch the defendant who has exposed and benefitted from the loophole at the outset and we would undoubtedly invoke, loudly, claims of breaches of the rule of law and abuse of Parliamentary responsibility, were Parliament to contemplate so doing.

Why is the tax avoider in a different position? Why should not those same rules and attitudes apply? Why should protection of property be any less meritorious than protection of liberty? Our obligation to obey the tax law is presumably no greater than our obligation to obey the criminal law. Our conduct is equally unmeritorious whether the attempt is to avoid the tax law or to avoid the criminal. The integrity of our tax laws are certainly no greater than those of our criminal law. I suggest there is no difference in any of these respects sufficient to justify punitive or abusive treatment of what some choose to call tax avoiders.

There is a clear distinction between power and responsibility. For better or worse, no-one can doubt the power of Parliament to enact retrospective, abusive, discriminatory, legislation. Part of our shared expectation, however, is that that power will be exercised responsibly and the legislation which is the product of the Parliamentary process will not share the features I have just listed. Part of the responsible exercise may well be a recognition that the standard of conduct and propriety on those who exercise the power must necessarily be of a level higher than that of the citizens who are subject to it. We expect it of our executive arm of government. We expect it from Parliament. Anti-social or abusive conduct on the part of the taxpaying public is not and cannot be an excuse for Parliament to react in a similar manner.

How do I summarise and conclude this address? My principal concern has been with the constitutional significance of Parliament being the sole repository of original taxing power. I have been concerned to establish that that power is untrammelled and absolute in a formal sense; and that there are no reliable safeguards to ensure its responsible exercise. I suggest that such a position is of concern without more, as an example of a wider phenomenon which typifies our constitutional framework; that it is of particular concern, given the capacity of taxation to influence, indeed to mould, every aspect of our social and economic structure; and that it is of greatest concern of all given recent evidence of apparent willingness by Parliament to exercise these powers abusively.

That is the summary. What about the conclusion? I have none as such. My concern has rather been to illustrate, to draw your attention to, a number of features of taxation of ongoing and, I believe, vital, significance to us, first in a purely financial sense, and secondly in what I think may properly be called a constitutional one, the potency of the taxing power. In that sense I may have been engaged in something of a consciousness-raising exercise. I hope so. Because I believe that the problems, the phenomena, I have identified cannot be solved

by legislative means or even by attempts at super-legislation such as a Bill of Taxpayers Rights. Knowledge, information, and awareness of the nature of the beast to which we are subjecting ourselves is of far greater importance. It is from that, that responsible exercise of parliamentary powers arises. By that, we make Parliament our own once more.