

Supply—National Revenue

bill from \$5,000 down to \$2,500 and probably made it possible for Mr. Weston to be saved, just on the basis of those alone. Can the minister supply any satisfactory evidence to show that the statements in this list are not founded upon absolute fact?

When the minister writes about these things to the Calgary office, I would suggest that the minister be not satisfied with what they tell him. He had better send a man he can absolutely trust out there to examine, just as Mr. Scully went some time ago.

The following passage I quote from a letter to me from Mr. Weston under date of April 23, 1953. It is as follows:

In order that you may have some absolutely fool-proof items to press home the fact of the inaccuracies in the net worth statement prepared by Calgary income tax office and on which they are basing their demand for \$5,800 extra tax, I give you the following data:

1. Western Savings and Loan Contract, \$766.16.

The income tax office says I had this on hand at December 31, 1951, as an asset. The circumstances surrounding this contract are lengthy, but I created this asset in July, 1952 when I gave the company my cheque for \$766.16 which they cashed on July 17, 1952 at Winnipeg.

2. Indian house for Fanny Eaglechild, \$1995.

This contract was given out in November, 1951.

Note those words, "given out". The letter continues:

I started the work on November 25, 1951, but as you know the weather in November and December, 1951 was so bad we could do nothing around here; and it was not until late in March, 1952 that the work was started again, and the house was finished in April, 1952; and I received payment in 1952. But the income tax office says I had this payment due me at December 31, 1951 and have taxed me on it. If the work done in late November, 1951 had been abandoned, I would not have received any payment whatever on the contract. Therefore to charge me with a payment that I did not either receive or earn in 1950 is obviously wrong.

3. Indian house for Mrs. Tommy Threepersons, \$4,986.57. This work was started in September, 1950 but stopped because of trouble between the heirs of Mr. Tommy Threepersons estate. In October, 1950 I was paid \$3,000 for the work done to that date, and I accounted for that \$3,000 in my 1950 income. In summer of 1951 the Indian agent authorized the work continued and it was finally completed and in September, 1952 I was paid \$4,986.57.

In this case also the income tax office is charging me with income that was neither earned nor received until 1952.

4. Indian house Fred Stabdown, \$4,500. I obtained a house in town of Cardston, owned and occupied by Mr. Jack Reid as part payment by Mr. Reid in 1951 for work done by me on his new store building. I later got authority to sell this house to Fred Stabdown for \$6,500. On February 23, 1951, I received \$2,500 on account of this house from the Indian agent; and on October 15 I received a further \$2,000, leaving a balance of \$2,000 still owing to me. This asset was not created until 1951 but the income tax office have charged me with \$4,500 of this item as an asset at December 31, 1950.

5. The income tax office charged me with the full amount of my bank balance at Royal bank on December 31, 1950, and offset \$2,873.66 as accounts payable against this balance; in fact at December 31, 1950 there were \$3,093.50 outstanding cheques plus \$2,093.26 of unpaid accounts, making a total \$5,186.76 accounts payable. This means the income tax office made an error of \$2,313.10 and therefore charged me this \$2,313.10 as income.

I have not heard anything about my bonds being released; the income tax office reported that I do not use these bonds in my business; this is absolutely false; I have always had these bonds hypothecated to the Royal bank to secure loans with which to finance my payroll for my help. As I have no security now at the bank I am unable to obtain the loans required to carry on my contracts; and at present am doing absolutely no work as I have no means to finance it.

This letter is signed by Ralph Weston.

Mr. Chairman, I am sorry to have had to inflict all this on the committee, but when we are dealing with people such as those we seem to be dealing with out in that area, the only thing we can possibly do is present the evidence before the high court of parliament. This I have done.

May I just make another observation with respect to the quality of Mr. Weston's book-keeping. It is quite obvious that the book-keeper or chartered accountant to whom he took his books was able to ascertain all these facts. It is strange indeed that the Calgary income tax people could not. I ask, can the minister supply any satisfactory evidence to show that the statements of the taxpayer in this case are not founded upon absolute facts, or deny them? Is Mr. Weston at present having the records written up in the form demanded by the income tax director? The answer is yes. And with all possible speed and at considerable expense. The answer is yes.

Again, Mr. Weston in his appeal statement used these words. I am reading now from the—

The Deputy Chairman: Order. I have hesitated to interrupt the hon. member as he seemed to be reaching the end of his speech, but I must remind him that he is now a few minutes over his time.

Mr. Low: May I ask the minister a question. I have listened with great interest to what the hon. member for Lethbridge has said, and it did occur to me at one stage to ask this question, which the minister can answer and I am sure will be prepared to answer. Is it legal under the act, on the sole discretion of some income tax official in the Calgary office, to demand from a taxpayer the surrender of his bonds to secure what the income tax official has said was his unpaid tax, even though the case is under appeal?