she married. The appellant was married in October, 1953. In March, 1954, she asked her father to give her the balance of her wages. This sum—$8,283—was received by the appellant in March, 1954.

I continue:

The appellant's father testified that he had included the amount of wages due his daughter in the total of wages paid by him in the years in question and deducted the whole as an expense of earning his income when filing his tax returns for these years. He said that the balance of wages due his daughter was not paid to her because she wished him to retain it for her.

As I say, if she had accepted the money and put it in the bank it would not have been taxable but she let her father be the banker and consequently she lost almost $2,000.

Mr. McCann: He got the benefit of charging it up.

Mr. White (Middlesex East): He paid tax on it. He increased his earnings. He increased the value of his production on the farm and you collected tax from him twice over ten years.

Mr. Rowe: She would have no tax over ten years.

Mr. McCann: You cannot have it twice.

Mr. White (Middlesex East): Counsel for the appellant argued that the amount was the distribution of capital and should not be taxed.

I go on further.

Counsel for the minister argued that the appellant in this case was not in business and was not entitled to compute her income on an accrual basis. He asserted that, as a wage-earner, she must declare her income when received.

Mr. McCann: Read the judgment.

Mr. White (Middlesex East): Oh yes, that is all right. Cecil Snyder said that she could not file her return on an accrual basis but at the very same time she was assessed on an accrual basis. In other words, it was a cruel business. Some have said that taxpayers should go to the income tax offices and find out just how they should proceed, but that is no good. The words of members of the department are not worth the paper they are written on. In that regard I hold in my hand a copy of the *Free Press* of March 12, 1956 where it is reported that a man in company with his auditor consulted the local officials, this being his only contact with the department, and they agreed that the cash basis method for tax purposes was acceptable to them. Five years later, when the matter finally came before the board, the board said that the taxpayer was overly optimistic in his assumption that his cash method of computing income had been accepted. The joker is the word "accepted" in the act. According to the board, the term "accepted" indicates an unqualified acceptance. This man went to the income tax office with his auditor in good faith. He discussed the matter with the officials, they came to an agreement and he believed them. But five years later he finds that what they say is not worth anything because the cash basis was then not accepted.

I must hurry on because there are many things I want to say in the next fifteen minutes. The actions of the board are discouraging production, thrift and initiative. Uncertainty and fear are expressed on every hand by people in all walks of life, by every small businessman and every self-employed individual.

Agriculture is not the only industry that is affected. Many a small businessman is saying: "What is the use?" The net result is that the small businessman says: "I will do what I can myself and let the opportunity to expand go by." I know many farmers who have laid off help and are now going to do what they can themselves. The country is the poorer because of it.

The professional man finds to his sorrow that extra hours worked are wasted hours, and we are all the poorer because of it. Labour is watching the situation very closely. They plan to keep out of the higher income brackets and so we lose their production. Lawyers have advised their clients to settle, indicating that there is this curtain of fear to which I referred. Lawyers advise their clients to settle because they do not want to oppose, fight or antagonize the income tax department for fear that they will come right back at them.

Mr. Lennard: They do.

Mr. White (Middlesex East): And they do. It is a sorry state of affairs. I had another case brought to my attention of a man who was carrying on a private accounting business and died. He had a number of clients whose income tax and payroll accounts he took care of week after week, year after year. But when the accountant died all his client's accounts came under review and these taxpayers had no one to fight their battles. They were at a loss. They did not know where they were at. I know of one case where a widow was asked for $9,000. I went to visit the home and I could see that they were in far from good circumstances. The home was very plainly furnished. The woman had been very careful but she said that sooner than fight she was going to pay the amount. That is another thing that happened.

Many of these people are honest, God-fearing people. It is the first time in their