



**UNDER WRAPS**

An Air Force Matador missile covered by a protective tarp was trucked through a street in Bitzberg, Germany. In releasing this picture in Washington, April 7, the Air Force said its Matador units in Germany are part of the protective shield always on guard in that area of the world. (U.S. Air Force Photo via AP Wirephoto).

**BUSINESS SPOTLIGHT**

**Tax-Free Or Not Is Not Specified In The Act**

By FORBES RHUDE  
Canadian Press Business Editor  
If you'd like to know whether a profit you have made on a transaction is taxable, or is a non-taxable capital gain, don't expect to find the answer in the Income Tax Act.

Rather, look for decisions which have been made in similar instances, either in Canada or the United Kingdom.

This is one of the points made in the second edition of a book entitled Canadian Income Tax Appeal Board Practice.

The 220-page volume — whose first edition appeared in 1953 — is written by R. S. W. Fordham, Q.C., a member of the appeal board, and is published by CCH Canadian Ltd.

**NO CAPITAL GAINS TAX**  
Noting that Canada has no capital gains tax, the book comments:

"The matter does not end there. What is fondly thought to be a capital gain is often taxed by means of a very simple process. It consists, initially, of a ruling by the taxing authorities that a sum received by a taxpayer and imagined by him to constitute a capital receipt must, on account of the particular circumstances in which it was obtained, be regarded as income.

"What is and what is not a capital gain usually depends on the case law applicable to the facts found.

**TAKEN FROM UK**

"Our case law on the subject has been founded largely on that taken from United Kingdom law reports. Decisions that were not, by any means, binding in Canada, have been adopted and applied here where they appeared to fit the circumstances and their reasoning commended itself.

"Income tax law dates from 1913 in the United Kingdom and thus a great body of income-tax law has developed that it was natural for our taxing authorities to resort to when seeking guidance in applying an act whose origin went back no further than 1917.

"So-called capital gains may originate in a great number of ways. The more common instances arise from the buying and selling of real estate, dealing in commodities of various kinds, buying and selling goods on the side, while following some unrelated occupation, erecting and selling residential buildings and entering transactions of a speculative nature calculated to return a profit.

"Real estate cases are probably those that come before the board most frequently."

**"INCOME" NOT DEFINED**

The book says that the word "income" has never been fully defined, and seemingly it is hardly possible to do so.

"The question thus arises," the book adds, "as to how so many so-called capital gains can be classified as income when the relevant sections of the Income Tax Act are silent on the subject.

"The answer must be that when the judges, both in the United Kingdom and here, rule that a certain receipt is income and not a capital accretion, they are virtually legislating, be it consciously or otherwise, and thereby filling in a gap in the taxing statute.

"One result is that, having fully

established the facts underlying an appeal, the appellant must usually look at the decided cases to ascertain whether or not his profit is taxable. The act alone will rarely provide the answer." A forward by Justice Minister Davie Fulton says: "Possibly no other court in Canada at the present time hears and determines in any year as many matters of general concern to Canadians as the income tax appeal board does."

**HO VISIT TIBET**  
NEW DELHI (Reuters)—Prime Minister Nehru has accepted a Chinese government invitation to visit Tibet it was stated in parliament Tuesday.

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*From One Cook to Another*  
by Mary Blake  
Carnation Home Service Director

Most women agree that luncheon and supper pose a meal-planning problem. So perhaps you will welcome some ideas to help you serve more interesting luncheons and suppers! First, keep in mind a few good sauces—and use them, with your own favorite flavor accents, in a variety of creamed and casserole dishes. Give attention to selection and prettifying-up of desserts, no matter how simple. And depend quite a lot for variety and nourishment on Carnation Evaporated Milk. For example, Carnation's special blending qualities give wonderful smoothness to sauces to help you serve meat, eggs and fish in different ways—and Carnation's double-richness supplies extra nourishment for your family. Here's a meat dish with an easy Carnation sauce recipe that illustrates what I mean!

**CORNEB BEEF SAVANNAH**  
(Makes 4 servings)  
2 tbsps. butter  
2 tbsps. flour  
1/4 tsp. salt  
1/4 tsp. pepper  
1 large can undiluted CARNATION EVAPORATED MILK  
1 1/2-ounce can corned beef, diced  
2 hard-cooked eggs, chopped  
1/2 cup diced celery  
1/4 cup chopped green pepper (optional)

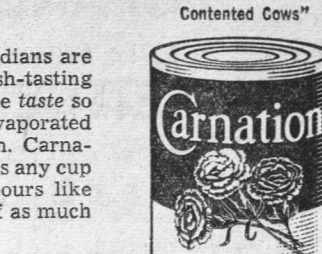
Of course you know what a favorite scrambled eggs are for luncheon or supper. But do you know how delicious scrambled eggs can be, when they're made with Carnation? Carnation Milk gives golden goodness to scrambled eggs. And there's good reason why! Carnation is double-rich milk with special blending qualities that keep scrambled eggs rich and creamy right through cooking.

**CREAMY SCRAMBLED EGGS**  
(Makes 4 servings)  
6 eggs  
1/2 tsp. salt  
Pinch of pepper  
Pinch of mixed herbs (optional)  
1/2 cup (small can) undiluted CARNATION EVAPORATED MILK  
1 to 2 tablespoons butter

Beat first five ingredients together with rotary beater until well blended. Melt butter in frying pan or double boiler. Pour in egg mixture. Cook over low heat until set on bottom and sides of pan. Carefully draw set portion away from pan and let liquid run under. Continue until all is lightly set. Serve at once.

**RICHER-FLAVORED CANNED SOUP**  
Combine 1 can of your favorite soup (tomato, green pea, chicken, etc.) 1/2 cup (small can) undiluted Carnation Evaporated Milk and 1/2 cup water. Heat to just below boiling and serve at once.

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**TRAWLER CREW RESCUED**  
OSLO (Reuters)—Nineteen of 22 crew members, including two women, of the Russian trawler Granata were rescued Monday after their vessel ran aground in a snowstorm.



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