

Mr. MacNICOL: He will not have to pay the fifty per cent he has not paid.

Mr. ILSLEY: Yes; assuming he has paid approximately fifty per cent the remaining fifty per cent is forgiven. This amendment would relieve him of taxation in 1942 on the whole amount, which would mean that the government would be obliged to refund to him the fifty per cent already collected, or anything already collected; in most cases something like fifty per cent has been collected at the source. I cannot give an estimate of the aggregate of refunds which would be necessary, but I have no doubt it would run into a great many millions of dollars. As to taxpayers who have not paid, it would mean that in many cases we would forgo our right to collect from them.

Mr. HANSON (York-Sunbury): You could apply on the 1943 taxation what they have paid.

Mr. ILSLEY: No, we would forgo our right to collect in respect to 1942 income. This takes away the government's right.

Mr. HANSON (York-Sunbury): The minister is speaking of the amendment?

Mr. ILSLEY: Yes. The government would have no right to any tax on the incomes of this class of taxpayers. The result would be that our estimates of revenues for the fiscal year 1943-44 would prove to be far too great; it would throw out of balance our ways and means, as the expression is.

In Beauchesne's Parliamentary Rules and Forms, third edition, paragraph 500, at page 182, I find the following:

Though it is the function of the committee of ways and means to impose rather than to repeal taxes, examples of the repeal of taxation effected in this committee are to be found upon the journals. Proposals for the variation or modification of taxation can therefore be made in the committee; but these proposals must be grafted upon the financial scheme submitted by the government, and must not affect the balance of ways and means voted for the service of the year. Amendments, therefore, can be proposed to substitute another tax, of equivalent amount, for that proposed by the government, as, for instance, a proposal to substitute probate and legacy duty on real property as an alternative for an inhabited house duty, the necessity of new taxation, to that extent, being already declared on behalf of the crown.

If this amendment were adopted it would mean the loss to the government of tens of millions of dollars in taxation or even more. The hon. member proposes no substitute tax, therefore his proposal affects the balance of ways and means voted for the service of the year and is not in order.

Mr. CHURCH: If what the minister says is true about this budget and these exemptions, parliament might just as well be abolished. The minister is relying upon the principles of the budget and of the British constitution as they were in the days of the seven years' war. I should like to say a word too about the first and second resolutions. In the Kingsley Wood budget in the old country, where they have no sales tax, they provided for hostels, for nutritional services—

Mr. ILSLEY: On a point of order—

Mr. CHURCH: I have the floor and I cannot be interrupted unless I give consent.

The CHAIRMAN: The minister is rising to a point of order.

Mr. ILSLEY: We are dealing with the amendment proposed by the hon. member for Charlevoix-Saguenay to resolution No. 1. The second part of standing order 58 reads as follows:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

The remarks of the hon. gentleman have no relevancy either to the amendment proposed by the hon. member for Charlevoix-Saguenay or to resolution No. 1.

The CHAIRMAN: Hon. members may speak to the point of order raised in connection with the amendment moved by the hon. member for Charlevoix-Saguenay.

Mr. CHURCH: May I speak to the amendment?

The CHAIRMAN: The hon. member must speak to the point of order raised in connection with the amendment moved by the hon. member for Charlevoix-Saguenay. If no hon. member wishes to speak, I shall give my ruling.

Mr. CHURCH: I wish to speak in reference to what the minister has said already this afternoon.

Some hon. MEMBERS: Order.

The CHAIRMAN: I shall have to rule first on the point of order. Hon. members who wish to speak to the point of order may do so before I give my ruling.

Mr. POULIOT: I ask you, sir, not to forget what I said before.

The CHAIRMAN: Having in mind what the hon. member for Témiscouata has said just now, an amendment could always be moved in committees of the house by members