

Mr. ILSLEY: I do not think that is in order under this resolution. I think I shall have to take that point of order, because I have reluctantly come to the conclusion that latitude should not be allowed on any of these items, or we shall not make any progress.

Mr. LEADER: If it is not in order to discuss it on this resolution, would the minister indicate when we shall have an opportunity to discuss this matter of pool elevator earnings?

Mr. ILSLEY: The hon. member knows the rules of the house as well as I do. There are occasions from time to time; I hesitate to suggest them. I hope he will not do it on a motion to go into committee of ways and means. I do not think I should be asked to designate an occasion. But it is not admissible under this resolution.

Mr. LEADER: May I proceed until I am called to order. It will really take forty minutes to do the matter justice.

Some hon. MEMBERS: Go ahead.

The CHAIRMAN: I do not wish to deprive the hon. member of an opportunity to present his point. I do not see how I can give a very strict ruling. I believe he has the right—

Mr. ILSLEY: Before you give a decision, Mr. Chairman, will you permit the point of order to be argued?

The point the hon. gentleman wishes to argue deals with a section of the Income War Tax Act that relates to exemptions and deductions, and excepted incomes. It is paragraph (p) of section 4, which reads:

4. (p) The income of farmers', dairymen's, livestockmen's, fruitgrowers', poultrymen's, fishermen's and other like cooperative companies and associations, whether with or without share capital, organized and operated on a cooperative basis, which organizations

(a) market the products of the members or shareholders of such cooperative organizations under an obligation to pay to them the proceeds from the sales on the basis of quantity and quality, less necessary expenses and reserves;

(b) purchase supplies and equipment for the use of such members under an obligation to turn such supplies and equipment over to them at cost, plus necessary expenses and reserves.

Such companies and associations may market the produce of, or purchase supplies and equipment for non-members of the company or association, provided the value thereof does not exceed twenty per centum of the value of produce, supplies or equipment marketed or purchased for the members or shareholders.

This exemption shall extend to companies and associations owned or controlled by such cooperative companies and associations and organized for the purpose of financing their operations.

That is an exemption of certain cooperative companies and associations from the provisions of the Income War Tax Act. An answer to a question asked in this house indicates that it is the intention of the Department of National Revenue to assess certain organizations or companies in western Canada which have in the past claimed to be exempt under section 4 (p), but which it is now contended by the Department of National Revenue are not within the provisions of section 4 (p) and therefore not exempt from taxation.

I understand the hon. gentleman wishes to raise the point as to whether these companies should or should not be taxed.

The item that we are now discussing provides:

That taxpayers whose chief business is that of farming shall in respect of the year 1943 and for each year thereafter pay two-thirds of their income tax liability for the current year on or before the 31st day of December and the remaining one-third on the following 30th April.

This deals with the manner in which farmers shall pay individual income tax, with the time when they shall pay their individual income tax for the current year. It has nothing to do with the taxation of bodies corporate, which is the question the hon. gentleman wishes to discuss. Resolution 7 will be an amendment to section 48 of the Income War Tax Act, or will be connected with the subject matter of section 48, which deals with the time when individual taxpayers make their returns. The two subjects are entirely separate and distinct, and standing order 58, subsection 2, reads as follows:

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

My respectful submission is that the question of whether certain incorporated companies are subject to taxation under section 4 (p) of the Income War Tax Act has no relation, is not strictly relevant nor is it relevant at all, to the resolution now under discussion in the committee, and I raise the point of order. I do not do so because I want to shut anybody out of a legitimate discussion, but the hon. gentleman says he will make a forty-minute speech on the subject, and, if he does so, I presume ten other members will have to make speeches on this matter in self-protection. Then we shall be launched into a debate, which may last for several days, in connection with this question of the taxation of the pools, when it is not relevant to the matter before the committee. The ruling in this case is a matter of considerable moment.

Mr. HANSON (York-Sunbury): I am not speaking to the point of order, but for the purpose of information may I ask—