

*Income Tax Amendment*

Then comes the clause to which the hon. member for Kamloops took exception; and then in subparagraph (B) appears a description of the kind of shares. The test there is whether dividends have been paid and, second, whether the corporation had earnings which did not have to be paid out in the form of dividends. I believe it is quite reasonable that the profit sharing plan should be restricted to investments in companies with good earnings records. I think it would be quite unreasonable to restrict them to companies which paid dividends regularly.

**Mr. More:** I thank the minister for his explanation. I think the import of the second part answers my question in part.

Clause as amended agreed to.

Clause 20 agreed to.

On clause 21—*Application for assignment of social insurance number.*

**Mr. Olson:** Mr. Chairman, this clause is a requirement that every taxpayer from 1966 on shall have a social insurance number. Objections have been voiced before about this. I am not particularly against the principle that people in Canada should be required to obtain such a number so that the computing machines which it is desirable to use today can identify them by an account number. What I object to is the kind of insidious deception displayed in this house some time ago by some members of the government who stated categorically, and stated repeatedly, that there would be no requirement that anybody need apply for a social insurance number if the did not wish to do so.

The Minister of Finance, the Postmaster General and others know very well that the Minister of National Health and Welfare gave this assurance over and over again when the Canada Pension Plan was going through the house. It is now compulsory to pay income tax; it is compulsory to file a return if you have earnings above a certain minimum. This amendment to the Income Tax Act is a deceptive way of compelling people to apply for a social insurance number. Anyone not wishing for a government benefit should have the choice of not applying.

● (9:20 p.m.)

What concerns me mainly in this amendment, in this very complex tidying up bill, is a matter that was discussed when the Canada Pension Plan was being discussed. I am surprised that the Minister of Finance has completely reversed his position about the need to

apply for a social security number. If it is government policy to require that everybody in Canada be registered, why not say so? Why does the government give these assurances, saying: "It will not be compulsory to have a number; people do not have to apply, the whole thing will be voluntary,"—and all the rest of it.

In section 130A, subsection 2, we have the compulsory part. It says that anyone who does not apply for a social insurance number after 1966 shall be deemed to have failed to complete the information on a prescribed form as required by or pursuant to section 44. I repeat, Mr. Chairman, if it is government policy for every Canadian to be compelled to apply for this number, why not say so? Why not be straightforward, instead of completely reversing what was said before. The Minister of National Health and Welfare insisted that the government would not want this number on a compulsory basis.

Clause 6 ought to be amended, to enforce a certain medical standard with respect to the making, producing and fitting of dentures. In any event I think the minister owes us an explanation. How can he justify the complete somersault with respect to being forced to apply for social insurance numbers?

**Mr. Sharp:** Mr. Chairman, the government is proposing this amendment to the Income Tax Act because of the increasing work load on the Department of National Revenue. The main reasons for this increase in the work load are the increases, I am happy to say, in the number of taxpayers, the tax collection agreements with the provinces, the record keeping requirements as the result of the federal-provincial fiscal arrangements and the introduction of the Canada Pension Plan. There has been an enormous increase in the burdens of the Department of National Revenue, and this work load will be further increased as we move into the guaranteed income for old age pensioners.

The work presently required to be performed by the department could not be carried out today without the use of electronic computers. The increased demands to be placed upon the department will increase this dependence on computers. We cannot operate these computers without numbers; we have not yet invented a machine that will respond to names. We must use code numbers such as these.

The Department of National Revenue has a system of numbers, but it is not adequate. It was developed before the social insurance