

Canada Pension Plan

Plan or of increasing the existing income tax rate by 23 per cent. The latter course would provide an equivalent amount to be set aside in a retirement fund. The minister used another equation at the time. He said it was equal to a general sales tax of about 4 per cent or 5 per cent, and that this would give the government the same amount as a 3.6 per cent tax on salaries over and above \$600. Those were the figures the minister used.

The Canada Pension Plan accomplishes one other thing. It sets up an investment fund from which the provinces can borrow money from time to time. Reading from a publication put out by the minister in 1972 to explain the Canada Pension Plan, we find the following statement, among a number of others, which outline the purpose:

Every contributor to the Plan should have a Social Insurance Number so that his pensionable earnings may be accurately recorded for benefit purposes.

Many people in Canada do not have a social insurance number, whether or not they belong to a religious organization. Certainly, the Hutterites on the Prairies do not want social insurance numbers. They believe all things are common and that no person really acquires any personal assets. For that reason, they do not want to look upon their group as individual with numbers.

Many people other than those of the Hutterite belief do not have social security numbers. Some have been threatened with court action, but at no time has the government proceeded with a prosecution of anyone on the basis of not having a social security number. It has been suggested at times that prosecutions will be commenced, but this has not been the case. I suggest no prosecutions have taken place because of the ticklish question of what to do about those who belong to a religious order. The government knows it would be in very bad straits if it forced members of religious orders to accept social security numbers, therefore it has not proceeded with any court action against those persons unwilling to accept a social security number. A number of people do not have these numbers.

The same publication put out by the minister in 1972 explaining the Canada Pension Plan states:

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Every month, the Department of National Revenue estimates the amount of contributions that have been received and credited to the Plan's operating balance. The Department of National Health and Welfare then indicates to the Department of Finance the amount by which the operating balance is in excess of the amount required to meet all payments in the immediately following period ending three months after the end of that month. The Department of National Revenue will also indicate to the Department of Finance the proportion in which contributions are estimated to have been received from each province during a prescribed period preceding that month.

Each month, then, the Department of Finance will indicate to each province the amount of excess moneys in the Canada Pension Plan which is available to advance to that province within the first ten days of the following month in exchange for a security of that province having a term to maturity of 20 years.

That implies that the excess in the fund can be lent to the provinces at a rate comparable to the government borrowing rate on 20-year bonds. So, this becomes an investment fund from which the provinces may borrow for the purpose of developing their provinces. I am a firm believer that everybody within Canada should share part

[Mr. Horner (Crowfoot).]

of the load involved in building a province so that it may be a better place in which people may live.

It may be of interest to note that on July 11 in answer to a question placed on the order paper by the hon. member for Brandon-Souris (Mr. Dinsdale) concerning how much money each province borrowed from the Canada Pension Plan it is shown that the province of Alberta, which many think is a wealthy province, since the inception of the Canada Pension Plan has borrowed from that investment fund \$525 million, starting with a low borrowing of \$3 million in 1966 to a high last year of \$96 million. The provinces of Saskatchewan and Manitoba have both been heavy borrowers from the Canada Pension Plan. Why? Because they receive a good rate of interest. It is Canadian money. It is not necessary for them to go to New York in order to borrow money to build hospitals, roads, and other developments in their provinces. Religious sects such as the Hutterites, for example, use those hospitals and roads. Why should they not contribute to that investment fund? Many people who invest in an insurance scheme do not even break even.

If a person started contributing to the Canada Pension Plan at age 18 and died at age 65, the amount received from the Canada Pension Plan would probably be enough for a very meagre burial; that is all. This is what insurance is all about. We all pool our funds in order to provide some security at a later date. I cannot say that everyone who belongs to the Mennonite or Hutterite sect will, from this date forward, remain members of those sects. They may some day break away and need the security offered by the Canada Pension Plan. Also, I cannot say that at some future date the sects themselves may not change their mind and wish to enjoy the security of the Canada Pension Plan.

Certainly, it has never been the belief of the Hutterites that they should be exempt from the payment of taxes or from the authority of governments. One of the teachers of the Hutterite religion, a Mr. Rideman, in respect of the payment of taxes to government funds said:

Since governmental authority is ordained by God and hath its office from him, the payment of taxes for this purpose is likewise ordained and commanded, as Paul saith, 'Thus ye must also pay tribute.' For this reason we likewise, willingly pay taxes, tribute or whatever men may term it, and in no way oppose it, for we have learned this from our master, Christ, who not only paid it himself, but also commanded others to do so, saying, 'Render unto Caesar what is Caesar's, and to God what is God's.' Therefore we, as his disciples, desire with all diligence to follow and perform his command, and not to oppose the government in this.

He refers to tribute. They are willing to pay their tribute as requested by governments. They do not like the Canada Pension Plan because of the social security number which is nearly a "must" if one is to have an individual pension plan and not a mass pension plan. The Canada Pension Plan is an individual pension plan because the more one pays into it the more one may receive from it. Many people have said that the Hutterites are a religious group and really are not engaged in business. On that ground, it is suggested that they should be exempt from many things such as income tax, the Canada Pension Plan and so on.

Again, I wish to point out that the contributions to the Canada Pension Plan build an investment fund from which the provinces borrow money for the purpose of