

In so far as declaring that a loan against the cash surrender value of a policy shall be to some degree taken into income, in so far as the income portion is there at the time the loan is made this seems to be in the present day something that may be justifiable. It would be very simple for the policy to have been built up, a loan taken and not repaid.

I do not agree with the provision that interest payable on that loan will not be chargeable by a businessman who borrows against his life insurance in order to get working capital, or for inventory purposes or something of that nature. There is a very arguable case that that interest is a source of capital which he has to borrow from someone.

He would be entitled to charge up the interest if he got a loan at a co-op, credit union, bank or trust company. Why not from his insurance company? He is paying interest on the money and it is being borrowed for purposes of business. It is more than nit-picking in so far as the Minister of Finance (Mr. Chrétien) is concerned, not personally, but in so far as the proposals he had put forward are concerned.

There are some things that do not appear in this budget. I want to tell the minister I have a private bill to undo something that went through under the guillotine at the time of the last Income Tax Act amendment, that is, the requirement that social insurance numbers must be provided on the applications for Canada Savings Bonds and furnished to banks when Canada Savings Bonds coupons are cashed or the banks will withhold 25 per cent of the value of the coupons.

That is an unwarranted extension of the use of social security numbers. I refer the minister to *Hansard* of 1964 when the principal of social insurance numbers was introduced. There were exchanges between the then leader of the opposition, the right hon. member for Prince Albert (Mr. Diefenbaker), and the then minister of labour, now President of the Privy Council (Mr. MacEachen). In an exchange between the then leader of the opposition and the then Minister of Labour on April 8, 1964, at page 1918 of *Hansard* we have this:

MR. DIEFENBAKER: Mr. Speaker, the minister seems to have such difficulty answering this question. The question, repeated to him, is this: is it clear and definite on his part and on the part of the government that any information given in these application forms will be used exclusively by the Department of Labour and will not be passed over to any other department? That is what I want to know.

MR. MACEachEN: Mr. Speaker, my hon. friend will recall that the Glassco commission made a proposal that there be a common system of government record keeping and I am saying—and this is all the responsibility I can take—that this information is to be used for the unemployment insurance system and for the Canada pension plan.

MR. DIEFENBAKER: And nothing else?

MR. MACEachEN: I am not in a position to indicate at this stage what system of government record keeping will be involved in the future, but that is the present attitude of the government.

● (2012)

MR. DIEFENBAKER: Oh, income tax and so on.

MR. PEARSON: Certainly not.

Here is a further extension!

Income Tax

I asked the Minister of National Revenue (Mr. Guay) whether there were any agreements between his department and, say, the Unemployment Insurance Commission or the Department of National Health and Welfare with regard to the exchange of information, particularly regarding social insurance numbers. I wondered whether this was a method of cross-checking the identity of individuals. The minister refused to answer. He skated around the question. He gave details concerning the improper use of agreements with regard to income tax information as revealed in the Laycraft inquiry, but he did not answer the question. I asked the minister again whether there were any agreements between the Department of National Revenue, the Unemployment Insurance Commission, the Department of National Health and Welfare or any other department or agency affecting the disclosure of social insurance numbers as they appear on income tax returns.

This extension, or requirement, was in clause 75 of Bill C-22, which went through last year, and the record will show that it went through "on division". I was opposed to it then and I am opposed to it now. Indeed, I have introduced a private bill with the object of removing that particular section. It amounts to a bureaucratic invasion, on the totally unjustifiable pretext that because a taxpayer claims not to have a social insurance number he is in some respects prejudiced. Mr. Speaker, there is no obligation upon anyone to have a social insurance number. It is argued that such a person would lose 25 per cent of bond interest when funds are deposited in a bank or a trust company. But that money could always be reclaimed a year later when filing for the \$1,000 exemption on bond interest. What I am saying is: there was no need for all this in the first place. I wonder whether the Minister of Finance and his officials, or the Minister of National Revenue and his officials know how many elderly persons do not possess social insurance numbers. Do they know what it is like to try to get a number? It is almost as difficult as getting a citizenship certificate.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order. The hon. member has the floor, and I suggest we should all listen.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): I hear an observation by the Postmaster General (Mr. Blais). He should be out trying to settle the business of the Post Office, which is the louisiest operation going—and that opinion comes from government backbenchers. The hon. member for Welland (Mr. Railton) down there ought to begin worrying about social insurance numbers, too, and listen to what the elderly citizens in his constituency are telling him about that subject. After all, many of these persons 75 and over were not born Canadians. They migrated to this country and do not have evidence of their citizenship. Overseas marriage certificates are no good when it comes to applying for social insurance numbers. Other primary evidence is needed.