that are then taken about the desirability of continued partial funding and about many other points of economic policy. The most that can now be said is that if the current range of predictions is sustained, and if it is desired to preserve the funding of the plan, some increase in the contribution rate probably will be required some time in the later 1980's or the 1990's.

If I may pass now to the question of benefits, it may be helpful for hon. members if I list the benefits provided under clause 44 of this bill. They are as follows:

1. The retirement pension, available on retirement at 65 or unconditionally at age 70.

2. A disability pension.

3. An orphan's benefit.

4. A pension for widows of any age if they have dependant children.

5. A pension for all widows over 65.

6. A pension for women widowed after age 35.

7. A pension for disabled widows and widowers.

8. A death benefit.

Now, in order to receive a survivors pension or death benefit contributions must have been made for at least three calendar years and one third of the total number of years possible for the contributor.

This rule, while a reasonable one in general, could operate unfairly for people who are unable to join the plan until late in life. I am thinking, for instance, of members of the armed forces who cannot join a plan until they leave the service and are employed in some sort of pensionable employment. I am thinking also of older immigrants who do not come to the country early enough to be able to contribute. For the sake of these people, it is provided that they can achieve permanently insured status after ten years of contributions.

Because of the nature of the benefits provided the eligibility period for the disability benefit has an added requirement which could be called currently insured status. Contributions must have been made for at least five of the last ten years before the benefit is claimed.

The adjustment of benefits in payment to changes in the cost of living is an important feature of this bill. It will apply to all the benefits provided by the bill. The adjustment will be made whether the pension is being paid for the first time or whether it has been paid for many years.

This feature of the bill means that for the first time Canadians will be able to be sure of their pensions being kept up to date in value. I do not think there is any serious dispute about its desirability, but it does necessitate some rather complex sections in the bill, which I am sure hon. members have run into already. It is not desirable to adjust pensions annually if there have been only minor changes in the cost of living. Nor is it desirable to provide either for large jumps from year to year or reductions of pensions should the cost of living fall. The formula provided in the bill will therefore have the effect of keeping the pension adustment closely in line with the cost of living, and without making increases from year to year of less than 1 per cent or more than 2 per cent.

Benefits will be paid under this bill for the first time in 1967, and therefore the first adjustment to any cost of living cannot be made until 1968.

The pension is to be a fixed portion of the average earnings upon which a person has contributed. But in calculating this average, his past earnings will be revalued to their current equivalent; that is, in proportion to the changes that have taken place in the meantime in the general level of wages. In this way, the pension he has earned will be in step with improvements in productivity and in wage rates.

As in the case of the cost of living adjustment, it is desirable to find a way of smoothing out these changes. The formula in this bill, therefore, establishes an earnings index based on employees' actual average earnings throughout Canada in the most recent eight year period for which information is available, as related to the employees' actual average earnings in the first eight years of the plan.

The retirement pension is to be 25 per cent of average monthly pensionable earnings. A man who has earned $200 a month will have a pension of $50 a month; a man who has earned $400 a month will have a pension of $100 a month. A member of parliament who has contributed to the plan on the first $5,000 a year of his indemnity, will have a pension under the plan of $104.17 a month. I have to warn you, however, Mr. Speaker, and all hon. members, that the average monthly pensionable earnings are your total lifetime earnings after the plan starts and up to the earnings ceiling, averaged over your working life and expressed on monthly basis. During your working career, you may have had