his colleagues require in order to carry out the objects of government. Thus, under the present bill it will be the responsibility of my department to see that all those who are required to contribute to the Canada pension plan do so, in order that the benefits referred to so glowingly by my colleague, the Minister of National Health and Welfare, may be paid when the individual becomes entitled to them.

I think it might be useful if, after a brief reference to benefits provided by this bill, I were then to turn to the method of financing these benefits, the integration of the Canada pension plan with that of a province providing a parallel comprehensive pension plan, and the method provided for the handling of the funds which will accumulate in the early years of the Canada pension plan in excess of those required to pay benefits and cover administration costs.

There are three main differences in this bill with regard to benefits as compared with Bill No. C-75. These are the extension of widows' benefits, the introduction of orphans' benefits and the inclusion of disability and death benefits and the attachment of the present old age security pension, whether taken at age 65 or age 70, to the pension index which is in turn dependant on the cost of living index in Canada. I need not elaborate further on the first two of these changes, which were made possible by agreement with the provinces for a constitutional amendment. Indeed, they have been ably and fully described by the Minister of National Health and Welfare. However, I should like to say a few words about the third major change, which is that of attaching the old age security pension to the cost of living index because this in the long run will, I believe, prove most beneficial to all Canadians.

Some hon. members have made disparaging remarks concerning this move since this course was indicated during debate at the resolution stage of the bill—remarks which, I believe, were altogether unjustified and which took into consideration only one year, rather than accumulative effects over a longer period of time. I think the argument which has been put forward by various speakers including the hon. member for Perth (Mr. Monteith) this afternoon as to the adequacy of the basic $75 raises an altogether different consideration from the attaching of all benefits to a pension index. I believe one should not argue that because he has attached a cost of living index or a pension index based on the cost of living index to benefits presently paid, future parliaments or even this parliament may not see fit to adjust the base itself.

An hon. Member: Just before each election.

Mr. Benson: Yes, we might copy the Conservatives in that regard.

I have made some calculations which show that if we assume after the first two years a 2 per cent annual increase in salaries and wages as well as in the pension index, at the end of five years during which this legislation has been in effect a man earning $100 a month as of January 1, 1966 will be able to retire at the age of 65 with a combined pension of $68.45 or 64.5 per cent of his income at date of retirement. Similarly if he were to continue to work until retiring at the age of 70 he would receive a combined pension of $118.72, or 101.3 per cent of his wages at date of retirement. Of course if he were married the combination of his wife's old age security pension with his own combined pension at either date would cause his pension income to further exceed his own income at date of retirement. However, I do not believe it is fair to presume that a man can presently support himself and his wife on a total of $100 a month, and if he can I believe he has earned any bonus he may receive on retirement.

Let us now consider the case of a person who is earning $250 a month when the plan comes into force. On the same assumptions, such a man, if he attains the age of 65 years after the plan comes into force, may receive a pension of $88.33 or 33.3 per cent of his income at that age. If he were to continue to work until the age of 70 he would receive $162.35 representing 55.4 per cent of his income on retirement. In this case I think we might assume that the man in question is married to a wife of similar age and in these circumstances the combined pension would amount to $143.53 at age 65 or $251.98 at age 70. Based on the assumptions made, the pension would amount to 54.1 per cent of retirement wages at age 65 or 86 per cent of retirement wages at age 70. Of course, as incomes increase the percentage of total benefits to income on retirement decreases. This I believe is defensible on the grounds that persons with higher incomes are better able to provide something toward their retirement income through supplementary pension plans or accumulated savings.

Now I should like to say something about the financing of benefits to be received on retirement. The old age security pension will continue to be financed as at present by 3 per cent of the sales tax, 3 per cent of corporate income tax and 4 per cent of personal income tax to a maximum of $120 per annum. In the long run these contribution rates should be