a month in addition to their basic old age security pension.

In 1965 the Canada Pension Plan was adopted and at the same time the Old Age Security Act was amended to reduce the age at which benefits might be paid to 65, by one year in age at a time between 1966 and 1970. By 1970 this will have added to the old age security rolls an additional 645,000 persons—more than the 643,000 persons originally covered by the old age security program when it began in 1952. In terms of the expenditures thus committed, this measure was the equivalent of a whole new social security program for aged persons in Canada, covering an extra 645,000 people at an annual cost by 1970 of an extra $580 million, apart even from its escalation feature.

With regard to escalation, as the hon. member for Winnipeg North Centre and the hon. member for Perth (Mr. Monteith) and others mentioned today, it was in 1965 also that we introduced escalating benefits for aged persons automatically as the cost of living rose. Both old age security and Canada Pension Plan benefits were tied to the pension index to help them keep pace with increases in the cost of living. We felt, however, that these benefits should not be decreased in periods when there might be decreases in the cost of living.

Mr. Stanfield: What Utopia is that?

Mr. Munro: This is the Utopia we are building into our act.

As a consequence of this decision not to permit any downward adjustment in benefits, it was decided to phase the upward adjustments by providing for a maximum increase of 2 per cent in any one year. If in some years the price index increase were larger than 2 per cent the difference would be made up in a subsequent year when the benefits would escalate by more than the price index. In 1964 this seemed a very reasonable approach since in the previous ten year period price levels had increased by only 1½ per cent a year on the average. With the recent announcement that the price index had remained constant last month, we may have seen the end of the period of rapidly rising prices and may anticipate that the pension index will operate as it was originally intended to do. If, on the other hand, the price index begins to rise again at a rate of more than 2 per cent annually we may have to consider a revision of this provision. Also, in 1965 the joint committee on pensions recommended that measures be adopted to provide for people who were already aged and therefore unable to benefit substantially from the Canada Pension Plan.

In 1966 contributions to the Canada Pension Plan began and people aged 69 could start drawing old age security benefits. Also, the Senate Committee on Aging, after extensive hearings, recommended a guaranteed income for people in receipt of old age security. That year the guaranteed income supplement proposal was introduced and agreed to, following this recommendation, providing a 40 per cent increase for old age security recipients with no other source of income, and a partial supplement for those with small amounts of other income. Thus Canada's first guaranteed income program commenced, and we were able to concentrate the substantial additional expenditures involved on those members of the aged population who needed the help most.

In 1967 the first guaranteed income supplement benefits were paid, and about 57 per cent of old age security pensioners qualified for full or partial supplements. Also in 1967 the first Canada Pension Plan retirement pensions were paid, and 68-year olds became eligible to draw old age security, Canada Pension Plan and guaranteed income supplement benefits.

In 1968, 67-year olds began to draw old age security, guaranteed income supplement and Canada Pension Plan benefits for the first time and, for the first time as well, the amounts of these benefits were escalated by 2 per cent as a result of the increase in the pension index. The $105 a month combined old age security and guaranteed income supplement benefits rose to $107.10.

In 1969 there was a further 2 per cent escalation in the amount of benefits to $109.20 a month, and those aged 66 now draw old age security, guaranteed income supplement and Canada Pension Plan benefits. In 1970 there will be a further 2 per cent escalation in benefits, even if prices fall in the meantime, and 65-year olds will start to draw benefits from all three areas. It can hardly be said that we have not had our aged citizens very much in our minds over the past six years.

I must point out that we are all aware of the cost in terms of expenditures that all these programs have meant. In the period I have mentioned public expenditures on health and social welfare rose from $3.9 billion in 1962-63 to $6.5 billion in 1967-68. This is an increase of $2.6 billion in five years, or about 67 per cent. My hon. friend, the hon. member