conservative projections turn out to be right, the rate might go up by $\frac{1}{4}$ or $\frac{1}{3}$. It would still be under $2\frac{1}{2}$ per cent each for the employee and the employer.

I understand after you have completed your clause by clause review of the bill, you will be studying the actuarial report. During the debate on the second reading, I was asked whether government actuaries had been employed to prepare the actuarial report. I think this question came from Mr. Monteith, and this was, as indicated then, the procedure followed. As members of the committee know, it has been the usual practice to have the department of insurance carry out actuarial studies of this nature. Under the old age and survivors insurance program in the United States and the old age retirement program in the United Kingdom actuarial estimates are provided by the chief actuaries of these governments. We have followed the same policy to ensure that the actuarial report has been prepared as an independent study conducted by competent actuaries who are professionally recognized both in Canada and abroad.

I would like now to discuss in some detail the question of benefits. By now I imagine those who have read some of the material will be familiar with the range of benefits available under this plan and perhaps I need not say very much about them. There are a number of different types of benefits.

The first type is the retirement pension. This amounts to 25 per cent of one's average pensionable earnings, spread over one's lifetime under the plan, and adjusted for changes in the level of earnings. It is payable at age 65 to contributors who have retired or, if one waits to draw it at the age of 70 it is payable unconditionally. The test of one's retirement will be one's level of earnings after retirement. Failure to contribute to the plan in any year after the plan starts will act to reduce one's average earnings and therefore one's pension. If one retires during the first 10 years of the plan, whatever one has earned will be averaged over the whole 10 years, even if one has only worked two or three years. This provides for a gradual increase in maximum benefits from 10 per cent in 1967, or after one year's contribution, up to 100 per cent of the full benefit in 1976, or after 10 years of contributions. This will be one area of attack. Most private plans take 35 years or more to mature. The original Quebec pension plan was to take 20 years to mature. You may well hear briefs from interested individuals who suggest that 10 years is too fast to bring in full benefit. However, this is the original transition period in the Canada pension plan which is retained. The obvious philosophy is that it should be made available to as many people as quickly as possible, and we should not forget, I think, that extending this to 20 years or longer would mean that we would deprive our veterans of any opportunity to contribute and to fully benefit from the plan.

The disability pension amounts to $25 a month plus 75 per cent of one's retirement pension. It is payable, following a three month waiting period, to contributors who are found to be so physically or mentally disabled that they are unable to pursue regular, substantially gainful employment. To be eligible, a contributor has to have contributed for five years, for five of the last 10 years, and for one third of the number of years in which he could have contributed. It ceases, of course, to be payable at death, or on recovery, whichever occurs first, or at age 65 when the retirement pension is available. Any period during which a person receives a disability pension, and therefore does not contribute to the plan, will not be counted against him when calculating his retirement pension. On recovery from his disability, he will of course resume his contributions.

This feature, of course, was not included under Bill No. C-75, as we did not then have the necessary constitutional power. This is an expensive feature and will cost $63 million in 1975.