

approved an expenditure of \$4.5 million (90 per cent) of the initial capital cost of the plant, private companies, provincial governments, universities and co-operatives are raising the balance.

The corporation, which was granted federal letters of patent late in 1973, will have 13 directors — seven from industry, two appointed by the Federal Government and the remainder appointed members such as universities and related associations.

Increase in pension payments

Increases in the Old Age Security Pension, Guaranteed Income Supplement payments and Canada Pension Plan, effective this month, have been announced by Health and Welfare Minister Marc Lalonde.

Increase in Old Age Security Pension and Guaranteed Income Supplement payments represent the fifth quarterly escalation based on the cost of living, as provided for in the Old Age Security Act.

The new monthly total at the single rate for persons receiving both the basic Old Age Security pension and maximum Guaranteed Income Supplement will be \$204.27.

For a married couple who are both pensioners, the combination of the basic pension and maximum supplement provides a monthly payment of \$389.70 for the couple.

The basic Old Age Security pension rises to \$120.06 from \$117.02. The maximum Guaranteed Income Supplement for a single person, or a married person whose spouse is not a pensioner, goes to \$84.21 from \$82.08.

The maximum supplement for a married couple, both pensioners, increases to \$74.79 each from \$72.89.

Added to the basic pension, this gives each married pensioner \$194.85 monthly, or a total of \$389.70 for the couple.

Some 600,000 pensioners and beneficiaries under the Canada Pension Plan receive increases of 10.4 per cent in their pension. The maximum Canada Pension Plan retirement pension rises to \$121.00 a month as of January 1975, from \$109.60.

The combination of the adjusted Old Age Security pension and Canada Pension Plan retirement benefit provides monthly payments of \$241.06, where the maximum 1974 CPP pension is payable.

Mr. Lalonde said that the escalation of benefits under the Canada Pension Plan, in line with the full increase in the cost of living, is the result of an amendment to the Plan last year. Previously, the escalation of benefits was limited to 2 per cent each year.

Family allowances

Increases in Family Allowances, are also effective this month. The increase is based on the cost-of-living-increase since November 1973, as provided for in the Family Allowances Act.

Federal monthly allowances paid for children under the age of 18 rise to \$22.08 from \$20 a month for each child.

Under a provision in the Family Allowances Act, a provincial government may ask the Federal Government to vary the family allowance rates payable in that province according to the age or the number of children in a family, or both, providing the family allowance payments in each province average \$22.08. Quebec and Alberta have chosen this option.

Special Allowances, which are paid to foster parents and welfare agencies, government departments and institutions that are maintaining children, also increase to \$22.08 from \$20 in all ten provinces.

Population projections

Canada is moving toward an "older" population, says the Bank of Montreal *Business Review* for December.

Changes in the age structure of the population will feature a growing proportion of elderly people, and significantly fewer in the under-20 group.

Tracing population trends over the next decade, based on figures drawn from a Statistics Canada study, the *Review* notes that by 1986, 32 per cent of the population will be under the age of 20, compared to 39 per cent today.

Fully half the population, on the other hand, will be 30 or over.

"The decline in the number of young people," the *Review* says, "carries with it significant implications, among the most important being the relative shift in expenditure patterns away from goods and services oriented primarily for the young, and the continued softening in demand for education...."

As the number of retired people grows, working members of the population may have to bear a greater cost for the support of the elderly, particularly as the purchasing power of their pensions and savings is eroded by inflation.

Also, as the relative number of children and teenagers declines, a higher proportion of young adults will sustain a strong demand for cars and other durables, as well as a higher standard of housing.

The *Review* notes that, all things considered, Canada's population will probably expand at an extremely slow rate between now and 1986. The pace of increase will, in fact, be the slowest since the period from 1871 to 1891.

Family size

Surveying specific aspects of growth, the *Review* says that family size appears to be stabilizing at two children. The current fertility rate in Canada is slightly under two births for each woman, but this will probably increase over the next decade. The birth rate, in fact, is expected to rise and reach a peak again in 1981.

Net migration (immigration minus emigration) will be about 60,000 a year by 1986, implying a share of the total projected population increase of about 18 per cent.

The *Review* also concludes that the movement of Canada's population towards the faster-growing economic regions of the country will continue. Ontario's share of the population will thus increase significantly, while those of the Atlantic provinces and Quebec will decline.

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