

Finance Minister announces second set of economic measures

A limit on energy price increases, more help for needy older citizens and a major restructuring of benefits to children, were more economic proposals that were outlined by Finance Minister Jean Chrétien on August 24, following the announcement by Mr. Andras. Regarding these proposals, Mr. Chrétien said:

Oil and gas prices

"Regardless of U.S. price movements, we now propose that there be no increase in the domestic price of crude oil next January.... We believe that a pause in the movement of oil prices towards international levels is now desirable. We fully expect that conditions in the future will allow the price movement to resume.

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"We believe that the fixed relationship in price between gas and crude oil does not allow gas the flexibility in price needed to expand existing markets and to penetrate new markets in Canada. We will propose, in discussion with Alberta, that effective January 1, 1979, natural gas prices be allowed to seek their own level in the marketplace, within an agreed range.

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"The impact of the \$1 a barrel price increase for crude oil last July will be felt by consumers of gasoline until the end of this month. To offset this increase, the special excise tax on gasoline, levied on manufacturers and importers, will be reduced to 7 cents a gallon from 10 cents, effective immediately.... The cost of this measure in reduced Government revenues over the period of a year will be approximately \$165 million.

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Aid to senior citizens

"...The Government, by reordering social priorities, wishes to increase the benefits paid to [senior citizens]. We propose to increase by \$20 the monthly payment to each household now in receipt of the Guaranteed Income Supplement. An older person living alone will receive the additional \$20, as will a couple....

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Child benefits

"It is proposed to reduce the basic federal family allowance to \$20 per month in January 1979. Provinces will retain the right to have payments to their residents varied by the age and rank of the children.

"It is also proposed to eliminate the present tax credit of \$50 per child and to reduce the tax exemption for children aged 16 and 17 to \$460, which is the present exemption for children under 16....

"These measures will enable the Government to introduce a new child credit for middle- and lower-income families, including those who do not earn enough to be subject to tax. This credit will be \$200 per year for each child eligible for family allowances.... The full benefit of the new credit will be available up to a family income of \$18,000. The credit will be reduced by 5 per cent of family income above \$18,000.

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"The combined effect of the proposals relating to the Guaranteed Income Supplement and child benefits will be to reduce Government expenditures by \$400 million and government revenues by \$655 million.

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"In the next couple of weeks, the Government will announce details of our proposals concerning unemployment insurance. We will also outline our programs of job creation, capital investment and industrial development. We will want to take into account the detailed studies and recommendations flowing from the industry sector task forces and continuing federal-provincial discussion.

"I expect to comment on the general economic situation at that time, when the national accounts data on the performance of the economy in the second quarter will be available....

Cree and Inuit control own schools

The Cree Indians and the Inuit of the Quebec Communities of James Bay and New Quebec have now assumed responsibility in all matters regarding education within their territory.

As of July 1, the newly-created Cree School Board and Kativik School Board, made up of Cree and Inuit commissioners respectively, will oversee the education of the 11,000 native people who live in a region larger than any other Canadian province.

The creation of these two school bodies was provided for under the James Bay and Northern Quebec Agreement. They will have the same responsibilities as any other school board in Quebec, with the exception of taxation powers since funding will be provided by the Federal Government and the province of Quebec.

All teachers and principals currently employed by the Public Service will be given priority in staff hiring. The agreement also stipulates that all school buildings, facilities, residences and equipment belonging to the federal and provincial governments will be transferred or leased to the two school boards at nominal cost.

The Cree School Board was created in the fall of 1976 and is made up of eight commissioners appointed by or elected from each of the Cree communities as well as a commissioner designated by the Grand Council of the Cree.

Sixty-five of the 100 teachers in the district are Indian and, in an effort to preserve and promote Indian culture in schools, teach in the Cree language.

Until now, the Department of Indian and Northern Affairs was the first to become involved in education in the James Bay region. The federal budget for the 1977-1978 school year was \$5,625,000. As of July 1, the Cree School Board became fully responsible for financial management. The Federal Government will contribute 75 per cent of the total budget, the remainder to be paid by the province of Quebec.

There are some 4,500 Inuit in 15 communities located in New Quebec north of the 55th parallel. Two thousand young native students, representing nearly half of this population, will attend school this fall.

As of July 1, the Kativik School Board will have complete authority over 21

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