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| ***Province*** | ***Législature*** | ***Session*** | ***Type de discours*** | ***Date du discours*** | ***Locuteur*** | ***Fonction du locuteur*** | ***Parti politique*** |
| Ontario | 35e | 3e | Discours sur le budget | 19 mai 1993 | Floyd Laughren | Minister of Finance | Ontario New Democratic Party |

Mr Speaker, just before I begin, I wanted to express my appreciation to all of those who helped me in the difficult task of preparing this budget, including my caucus colleagues and cabinet colleagues, but two in particular, the minister attached to the Ministry of Finance, the Honourable Brad Ward, and the Premier himself, for their support and assistance in preparing this budget.

The budget I am presenting today marks a turning point for Ontario. After a terrible battering, our economy is gathering strength. In the past eight months, Ontario's economy has created 98,000 jobs -- almost 90% of them full-time. The pace of job growth so far this year is the fastest since 1988.

This budget provides a solid foundation for the economic recovery. We cannot build our future economy on a foundation of debt. We must invest in jobs, make government more efficient and put public services on a sound financial footing. That is what this budget does.

This budget will help put more Ontarians back to work.

We are investing almost $4 billion in capital works -- such as highways, transit services, telecommunications networks, hospitals and schools -- to create jobs and renew our infrastructure.

We are investing more than $1 billion in training and adjustment to help Ontario's workers secure decent jobs in the new economy.

We are expanding Jobs Ontario to help communities invest in permanent job creation.

We are going to overhaul the social assistance system to provide more support to help get people back into the workforce.

At the same time, we are putting our public finances on a sound and secure footing.

For the first time since 1942, our operating spending will actually decline.

We are cutting the cost of running government programs by 4.3% from last year's level.

For every dollar in new taxes, there are almost $4 in savings and reduced costs.

By the end of this fiscal year, the size of government will be reduced by 5,000 employees from two years ago.

Our deficit for this year -- which had threatened to climb to almost $17 billion -- has been cut to almost half that level, at $9.2 billion.

By making government more efficient, we are ensuring that we can keep and improve the essential public services that Ontarians value.

We are maintaining a universal and affordable health care system for all Ontarians.

We are establishing a Royal Commission on Learning so that our schools -- which are among the best funded in the world -- can fully prepare our children for the demands of a changing economy and a changing society.

We have built and are continuing to support North America's most comprehensive pay equity program for working women.

We have expanded our environmental 3Rs program to promote reducing, reusing and recycling, and we will become the first province in Canada to enact an environmental bill of rights.

We are providing $85 million this year -- twice as much as four years ago -- to prevent violence against women and their children and provide services to those who have been affected by it.

This budget includes tax measures that are necessary to put our public finances on a solid footing. I have taken every possible step to make these tax measures fair to the average Ontarian and to minimize the impact on the economic recovery.

I am raising the personal income tax and the surtax. The wealthiest in our society will pay the most.

I am introducing a corporate minimum tax on profitable corporations that pay little or no income tax. All small businesses will be exempt from this tax.

I am closing corporate tax loopholes, eliminating outdated tax expenditures and improving collections. Deductions for expense account meals and entertainment will be cut to 50%.

The retail sales tax rate will not be increased.

I am abolishing the $5 tax on new tires.

I am abolishing the commercial concentration tax.

Not everyone will like all the details of this package. But everyone should know that it is balanced, it is fair and it is necessary.

It balances the need to invest in jobs, maintain important public services and get our fiscal house in order. It takes a three-pronged approach to managing the fiscal challenge -- by reducing the cost of government programs, negotiating a social contract with the public sector, and raising revenues.

This package is fair because it asks all of us to share the cost, and it protects those who are most vulnerable.

It is necessary because we owe it to those who will inherit this province to pass on a strong and productive economy, and vibrant and healthy public services.

We have taken a hard look at our finances and made some tough decisions.

In April I provided the details on $4 billion in spending cuts for our 1993-94 budget. These cuts, and the additional measures I am taking today, are necessary for one reason: We cannot build a solid and sustained economic recovery if we do not invest in jobs and take firm action on the public debt.

Excluding sovereign countries, Ontario has become the largest borrower in the world. On average we borrow more than $1 billion a month. We spend more on interest costs than we spend on our schools. About two thirds of our new borrowing comes from outside Canada -- which means that most of the interest we pay on this borrowing goes to foreign bankers, investors and economies.

Simply to let the debt increase each year at an accelerating rate would be irresponsible. Consumers would know that more and more of their incomes will be taxed away to pay the cost of public debt interest, not just this year, but long into the future. Businesses looking for a good place to invest would be discouraged from locating here. All of us who rely on our health care system and other public services would know that sooner or later there would simply not be enough money to maintain those services. More and more of our tax dollars would go to pay government bond holders in New York, Zurich, Tokyo and elsewhere instead of being invested here in Ontario, in Ontario services and Ontario jobs.

In March I warned that if we did not take action our debt would grow by almost $17 billion in 1993-94 alone. I said that such a debt load was unacceptable to me and to this government. In this budget I have cut that amount almost in half. There will be those who say that Ontario could live with a $17-billion deficit. That view ignores the realities of escalating debt and compound interest. With that high a deficit, even assuming that international bankers would lend us the money, our interest costs would take off.

With the actions we are taking today, they start to stabilize. And we will save almost $5 billion in interest costs over the next three years. That's almost $500 for every man, woman and child in the province, money that will stay in the pockets of Ontarians instead of going to well-to-do bond holders.

Anyone who has let their credit card account get out of control knows how hard it is to pay down the debt when the interest charges keep piling up month after month. It is called a debt trap, and we are determined not to get caught in one.

There will also be those who say that we should have brought this year's deficit down even lower. But that would fatally damage essential public services and undermine Ontario's ability to care for our most vulnerable citizens. In bringing down the deficit at a responsible pace, I am preserving investments in jobs and I am maintaining the services that Ontarians value most.

To me, the issue is not whether we control the growth in debt. The issue is how. The growth in debt must be controlled in a fair and balanced way, protecting those who are most vulnerable. It must be controlled in a way that maintains our investment in jobs and that protects important public services and makes them more efficient. It must be controlled by decisions that are made in Ontario and it must be controlled now.

Almost half of the deficit reduction we have achieved has come from our expenditure control plan. About one quarter is achieved through cost reductions that are being negotiated with workers and employers in the public sector.

For every dollar in new taxes, we have achieved almost $4 in savings and reduced costs. A typical two-income family of four earning $60,000 will be asked to pay an annual tax increase of less than $7 a week.

I think that's a fair balance.

Our budget invests to put Ontario back to work. After a long period of stagnation and uncertainty, the economic recovery is taking hold. The job picture is improving. In the past year, Ontario has accounted for two thirds of Canada's net new jobs.

Ontario's export-based manufacturing sector, no longer strangled by a severely overvalued dollar, has strengthened. So far this year, Ontario's international exports are up by more than 11% over the same period last year. Canadian auto exports have risen by 26% over the same period. Manufacturing shipments have risen by more than 6%. Who says business in Ontario cannot compete? Who says Ontario workers are not among the best and most productive in the entire world?

Although consumers have been cautious, they too are responding to the improving economy. The Conference Board of Canada's index of consumer confidence rose by 7% in the first quarter of 1993, and retail spending has risen gradually. Investment is rising as business prepares to take advantage of Ontario's solid economic future. Ontario manufacturers plan to increase investment spending by close to 30% in 1993.

Even though the job picture is improving, unemployment is still unacceptably high. That is why the cornerstone of our economic package is to support investment that will strengthen the recovery and create jobs.

Since we took office, our top priority has been to invest in jobs.

Through the sector partnership fund, we are working with business, labour and associations to create and maintain permanent jobs in eight key sectors -- automotive parts, aerospace, computing, construction, green industries, residential furniture, telecommunications and tourism -- with more sectors to be added in the coming months.

We have negotiated sectoral training agreements with industry, labour and the federal government to provide training and skills upgrading for an estimated 37,000 workers in the electrical and electronics, auto parts and steel sectors.

We are providing tax support for labour-sponsored investment funds that have already raised over $100 million to invest in small and medium-sized companies. In the coming year we will be reviewing proposals to expand and improve this program.

We are working with leading financial institutions to establish an investment corporation that will direct critical financial capital and expertise to Ontario's growth companies. There are banks and other financial institutions that recognize they have a responsibility to participate in the renewal of Ontario's economy. Together we are going to provide a means to make that happen.

We are supporting Ontario Hydro's plan to freeze power rates this year and keep increases at or below the rate of inflation for the rest of this decade, providing a crucial foundation for a sustainable economic recovery.

Over the past year, Jobs Ontario has shown what public investment in job creation can do. This program has helped put thousands of Ontarians back to work. It has provided training and jobs for welfare recipients. It has provided work experience for young people. It has built valuable public infrastructure in communities all across Ontario.

In this budget, we are once again investing in jobs.

We are establishing Jobs Ontario Community Action to support community economic development.

Through Jobs Ontario Capital and other programs, we are launching the most ambitious program of infrastructure investment in a generation.

We are expanding investments in training, including Jobs Ontario Training, to support a skilled and adaptable workforce.

And we are revamping social assistance to help get people back to work and to help working families who have low incomes.

Building on the success of Jobs Ontario over the past year, we are creating a new Jobs Ontario Community Action program to give communities more say in their own economic development.

The people who live and work in communities across this province know better than anyone at Queen's Park the economic development priorities of their cities, towns and regions. Jobs Ontario Community Action will help communities help themselves.

We will invest $300 million in the first three years. The funds for community action come from the consolidation of an array of existing programs and a special allocation of more than $120 million from Jobs Ontario Capital.

This program will mobilize the strengths and talents of business, labour, non-profit organizations, cooperatives, credit unions, local governments, and other groups and individuals to get ideas for job creation off the drawing board.

Jobs Ontario Community Action will help fund capital projects that promote new growth. It will offer loan guarantees to new organizations called community loan fund corporations -- so that local enterprises will have somewhere to turn when they cannot get a loan at the bank.

It will also support local groups in setting up community investment share corporations, so that local businesses have a new source of equity investment. It will help build the capacity of communities to formulate their own economic development plans by helping to fund feasibility studies and marketing programs. And it will provide targeted support for women, aboriginal people and other groups so that all parts of the community are included in economic development.

The Minister of Economic Development and Trade will provide additional details on the program and how communities can bring forward proposals.

We are also committing $100 million in capital funding over the next two years to support economic development in the communities affected by the decision to cancel government relocation projects. The Minister of Economic Development and Trade is initiating discussions with these communities to exchange ideas on how this funding can best be used to stimulate investment and create good jobs.

To support further development of the mining industry, particularly in northern Ontario communities, I am providing capital tax relief for junior mining companies issuing flow-through shares to individuals. In addition, we will introduce legislation to allow mining companies to deduct immediately their contributions to reclamation funds for the cleanup of mine sites. This measure will preserve our environmental goals while providing a cash-flow benefit, especially for small mining companies.

This past year we launched a program of infrastructure investments on a scale not seen in Ontario since the 1960s.

We benefit today from the foresight of those who, a generation ago, planned and built our major highways and transit systems, our schools, colleges, universities, hospitals, our water and sewer systems, and our major public buildings. We have a duty to leave a solid legacy to those who will follow us in the new century.

In February, Premier Rae announced a comprehensive 10-year program to renew the province's infrastructure and create more than 100,000 jobs. These investments, to be made in partnership with municipalities and the private sector, will build highways and transit systems, improve water quality and conservation methods, and expand telecommunications networks.

We have initiated the Jobs Ontario Capital program to make strategic investments that support economic restructuring, promote community economic development, encourage social progress and preserve the environment.

More than 1,700 Jobs Ontario Capital projects have been started, and over $400 million has been invested by the province in the past year, creating or maintaining more than 8,400 full-year jobs.

To meet the demand for these strategic capital investments that create new jobs, I am expanding funding for Jobs Ontario Capital by $1 billion, to $3.3 billion over the period 1996-97.

Some of the major investments through Jobs Ontario Capital include the following:

-- The accelerated construction of Highway 407 and the widening of the Queen Elizabeth Way from Hamilton to St Catharines;

-- Work on the Scarborough rapid transit extension, the Sheppard subway, the Eglinton West subway, the Spadina subway extension to York University and the Mississauga transitway;

-- The new science building at Wilfrid Laurier University in Waterloo;

-- The new skills training centre at Durham College in Whitby;

-- The Sudbury Southeast Bypass;

-- One hundred and sixteen new water and sewer projects to protect the environment and support new development; and

-- The Ontario network infrastructure program to improve telecommunications networks that will assist researchers in universities and industries and widen Ontarians' access to information.

We are also working with the private and non-profit sectors to speed up the approval of environmentally sound development projects. In the past year, we have cut the red tape and accelerated approvals for 1,600 development projects with a potential value of $11.5 billion.

In 1993-94 alone, about 14,000 non-profit and co-op housing units will be completed as part of our commitment to affordable housing in Ontario communities. Last year more than one quarter of all the new homes started in Ontario were supported through provincial housing programs.

Under the Capital Investment Plan Act, we are creating three special-purpose crown corporations to carry out investments in transportation, real estate, and water and sewer services. The three crown corporations will work in partnership with municipalities and the private sector to plan and implement new investments as quickly and as efficiently as possible.

We will also create a financing authority to arrange and coordinate domestic and international financing for these corporations, as well as for schools and hospitals, and for the provincial government as a whole. The authority will be asked to explore new ways to finance the province's borrowing needs. We want to discuss opportunities to develop domestic sources of capital with the banks, trust companies, credit unions and other members of the financial community.

Nothing is more important to our future prosperity than the education and training of our young people and our workers. They are our greatest resource.

In February, Premier Rae consolidated into a single ministry the responsibility for providing education and training for Ontarians of all ages -- from children in kindergarten to adults in the workforce.

Despite our financial situation, Ontario has -- and will continue to have -- one of the best-funded education systems in the world. We are investing $9 billion in education and training this year. That includes investments in training and adjustment totalling $1.2 billion -- almost twice the level of four years ago.

We are helping Ontarians to gain the knowledge and skills that they will need to get good jobs. This past year, 353,000 Ontarians enrolled in full-time studies in our colleges and universities -- the largest number in Ontario's history. Another 410,000 students registered for part-time post-secondary courses.

Our reforms to the Ontario student assistance program mean that we will be able to help as many as 177,000 students in the coming year -- 76% more than just four years ago. These reforms will stretch our dollars further and provide the greatest help to those who need it the most.

We must also do everything we can to help Ontarians who are already in the workforce get the skills necessary for well-paying jobs in the new economy. Across Ontario last year, more than 300,000 people received training and placement services funded by the province. This figure includes 88,500 young people and apprentices. This year we will invest $180 million in jobs, training, counselling and educational upgrading for young people through Jobs Ontario Youth and other important programs.

Through Jobs Ontario Training, which was launched last year, employers have already created over 24,500 new jobs. The first 10,000 workers are working as vehicle assemblers at Chrysler and Navistar, as machinists at Linamar, as seamsters at John Forsyth, as research technicians and chemists at Apotex, and in scores of other firms across the province. A year ago many of these workers were relying on social assistance. This is a tremendous example of what investing in people can do, both for individuals and for our economy.

In the coming year we will more than triple our investment in jobs and training under this program, to $329 million. Our aim is to assist another 35,000 to 40,000 unemployed workers. An equal number are expected to receive training through the program's support for those who are currently employed.

We are reducing the barriers that have prevented parents, particularly women, from entering the workforce. The number of publicly supported child care spaces has grown by 6,500 since 1990, to 53,100. Through Jobs Ontario Training and other programs, another 14,000 subsidized spaces will be made available this year, so that more parents, especially women, can participate in the expanding economy.

All this adds up to the largest investment in education and training of any government in Canada. It's good for business. It's good for the economy. But most of all, it's good for people.

While we have taken many steps to help unemployed Ontarians back into the workforce, it is clear that more needs to be done. More than one million people live in households that rely on social assistance for their means of support. That includes a half-million adults who could be productively employed. It also includes one child out of every five. Three quarters of a million Ontarians live in households where, even though someone is working, their income leaves them in poverty.

This year the government will release a white paper on social assistance reform. This reform, which is to take effect in early 1995, will transform social assistance into a system that connects people to education, training, work and volunteer community activity. This overhaul will enable people to move out of the welfare system and into the labour market. We will also address child poverty through this reform.

This budget's investments in people and jobs are an essential part of our vision for Ontario. New industries, new jobs at good wages, young people who finish school with the knowledge and skills they need, and communities that work: That's the future this government is helping to build in Ontario.

Just as we are investing in new jobs, so too are we committed to preserving jobs and public services. Ontario is envied for its comprehensive network of high-quality public services such as health care and education. This government values the dedication and hard work of the people who provide them. Our debt problem means that we have to pursue this commitment to protecting jobs and services in a new way -- by seeking a new social contract with employers and workers in public institutions.

Through the social contract, we are aiming to achieve benefits for all Ontarians by initiating long-term reforms that will modernize public services and put them on a more secure financial footing. We are committed to restructuring services, redeploying workers to new jobs and reskilling workers as the workplace changes.

For employees in the public sector, the social contract can mean greater job security by avoiding the elimination of between 20,000 and 40,000 jobs. It can also mean a stronger role for workers in decision-making, enhanced rights for retraining and redeployment, and improvements in collective bargaining structures.

For employers in the public sector, the social contract can mean more flexible and cooperative processes for managing change.

For the public who use government services and who pay for them, the social contract means that existing services can be maintained at an affordable cost and that resources can be shifted more easily to provide new services as the need arises.

The government is fully committed to achieving the planned $2 billion in savings from the affected sectors in 1993-94. In June, the government will publish a detailed account of how those savings have been achieved.

The savings achieved through the social contract and through our $4-billion expenditure control plan will help us maintain the public services that Ontarians value while making them more affordable.

Ontarians want government to be more efficient. My cabinet colleagues and I are reducing waste. We are putting our own house in order because we believe we must lead by example.

The largest single part of the expenditure control plan -- $720 million -- is being achieved through savings on internal government operations. This represents a reduction of more than 10% in the cost of running government. We are streamlining programs, rationalizing field offices and cutting down on the bureaucratic layers that separate senior managers from front-line service deliverers.

We have cut the number of ministries from 28 to 20. This alone means we will save $40 million this year in overhead costs -- $40 million in savings.

Budgets for consulting, communications, travel and other non-salary costs have been chopped by 24% over the past two years.

By the end of this fiscal year, the number of civil servants will be reduced by 5,000 since 1991-92.

We are establishing separate corporations to manage our real estate in a more cost-effective and businesslike way. We are also introducing legislation that would enable the province, in consultation with municipalities, to provide property assessment services on a cost-recovery basis.

Through these and other measures, the amount we spend on programs will actually decline by 4.3% this year. We are also selling some surplus assets and refinancing others valued at $915 million, and we are introducing measures that will raise about $240 million through fees and levies.

At the same time, we are maintaining adequate funding for the services that Ontarians value and that make Ontario a decent place to live. We are making some deliberate choices in how and where we spend. We are investing in our priorities and we are redressing inequities.

We have legislated pay equity for women in both the public and private sectors. We are providing increased funding towards fair wages for women in the broader public sector.

We are providing $49 million to help meet the needs of aboriginal communities for modern infrastructure and services and to negotiate outstanding land claims and self-government agreements. That's three times as much as was spent just four years ago.

We are investing over $30 million to protect the environment through Canada's most comprehensive program to promote the 3Rs -- reduce, reuse and recycle.

This year we are seeking passage of employment equity legislation that will ensure this province benefits from the skills of all Ontarians.

We have made substantial progress towards implementing the Stephen Lewis report on race relations. Virtually every recommendation is under way or has already been implemented.

For the first time, we are providing stabilization funding for about 20 women's centres that provide support and advocacy for disadvantaged women all across this province.

Our health care system -- the service that affects more Ontarians than any other -- is an achievement in which all Ontarians can take pride. This government is determined to ensure that, years from now, universal medicare will continue to be a sustaining feature of our society.

To save medicare, we have to make it more affordable. And we are doing so.

We are targeting our spending better by no longer paying for services that have little to do with health -- like removing tattoos and reversing vasectomies.

We are encouraging physicians to locate in areas that do not have an adequate number of directors, while restricting growth in cities where there is an oversupply.

We are limiting the use of Ontario tax dollars to buy private for-profit medical care in foreign countries.

We will be reforming the Ontario drug benefit program by asking everyone who benefits from it -- drug manufacturers, pharmacists and consumers -- to contribute to keeping program costs affordable.

We are speeding up the reform of long-term care for seniors and people with disabilities so those who need regular care can find it in their community without having to use expensive hospital beds.

In these and other ways, we are preserving medicare by managing our health spending better. We reduced the growth in health spending -- which averaged 11% per year during the 1980s -- to under 1% last year. That's responsible stewardship. Voilà une direction responsable.

To protect health care and other services and to maintain our investment in jobs, we have made a series of very tough decisions this year. We have achieved $4 billion in savings through the expenditure control plan. Another $2 billion in savings is being contributed by public sector workers and their employers through the social contract.

In recognition of these major contributions, I'm also asking for a contribution from the community that benefits from these services.

These tax increases will not be popular, but they are necessary and they are fair. When they are fully implemented, a two-income family of four earning $60,000 will pay an increase of less than $7 a week. The total income tax burden on that family will still be the third lowest among 10 provinces. And corporations will pay their fair share.

Those with the highest incomes -- the top one tenth of all tax filers who pay the Ontario surtax -- will pay the greatest increase. The Ontario surtax rates will increase to 20% of Ontario personal income tax over $5,500 and a further 10% of Ontario tax over $8,000.

All taxpayers will pay an increase in personal income tax of three percentage points, to 58% of basic federal tax, effective for the 1993 and subsequent taxation years.

The retail sales tax will be extended to sand, soil, clay, gravel, unfinished stone, parking and insurance premiums. The retail sales tax rebate for visitors from outside Ontario will be ended.

We are not increasing the 8% retail sales tax rate. Instead, we are relying on revenue sources that are more progressive and more sensitive to consumer confidence.

To protect low-income families and individuals, Ontario's tax reduction program will be enriched. This year an additional 40,000 people will pay no Ontario income tax and 10,000 will pay reduced Ontario income tax. Since this government came to office, we have reduced income taxes for 270,000 low-income Ontarians -- including 200,000 who have been removed from the tax rolls entirely.

To stop large, profitable corporations from using the tax laws to avoid paying their fair share, I am introducing a corporate minimum tax. But in recognition of the importance of small business entrepreneurship, I am exempting all small businesses. More than 90% of all corporations in Ontario will not have to either calculate or pay the corporate minimum tax. The corporate minimum tax will take effect for taxation years beginning after December 31, 1993. When fully implemented, it is expected to raise about $100 million annually.

Today I am releasing a technical paper that outlines the corporate minimum tax. In keeping with its commitment, the government will consult on the technical details of the corporate minimum tax prior to the introduction of legislation.

I am also eliminating a variety of corporate tax loopholes and reducing the deductibility of meals and entertainment expenses for corporations to 50%. Insurers that have been exempt from the insurance premium tax will now be subject to tax. Along with improved administrative measures, these moves will raise $145 million in a full year.

To level the playing field, beer and wine made in produce-your-own establishments will be subject to a tax of 26 cents per litre, effective August 1. This tax will increase to 31 cents per litre on June 15, 1994, and 38 cents per litre on June 15, 1995. There will continue to be no tax on beer and wine produced in private homes for home consumption.

I understand that nobody likes taxes, but these tax increases are needed to invest in jobs, preserve our services and control the debt. They are an essential part of our economic and fiscal strategy. They are both fair and responsible.

I am also taking steps to improve the enforcement of existing taxes and non-tax revenues.

In response to the Provincial Auditor's report, this year I am assigning 147 staff to tax collection and audit positions to reduce non-payment of the employer health tax and other taxes. When fully implemented, this initiative will result in the recovery of more than $70 million a year in currently uncollected taxes.

New fines management and improved collection services are being introduced to improve compliance with court orders to reduce the incidence of unpaid fines and to improve the collection of outstanding accounts.

I am introducing increases in late-filing penalties and interest. In addition, those who evade payment of retail sales tax or engage in tobacco smuggling may now be subject to a maximum of two years in prison.

I am eliminating two taxes that were introduced by the previous government.

I am abolishing the commercial concentration tax effective at the end of this calendar year. This tax no longer reflects the realities of the Toronto real estate market. The last payments under this tax will be in October 1993.

I am withdrawing the $5 tire tax as of midnight tonight.

I've never seen such opposition to the elimination of a tax.

Achieving greater tax fairness is a clear and continuing commitment of this government. The Fair Tax Commission is holding public hearings across the province on the entire tax system and will publish its final report by the end of this year. We remain committed to achieving a fair tax system and we will be working -- on our own and in cooperation with the new federal government -- to make that happen.

For the year just ended, our operating expenditures were $50.2 billion. That is almost $400 million lower than our budget plan. Excluding debt interest and social assistance, our operating expense spending last year increased by less than 1%.

Unfortunately, the slower economy meant that our tax revenues last year were below planned levels. The federal government paid only part of the amount owed to us under the fiscal stabilization program, and some planned asset sales were not concluded by year-end. Consequently, our operating deficit for 1992-93 was $8.4 billion, and our budgetary requirements were $12 billion.

For 1993-94, provincial revenues will total $44 billion. This figure reflects the new revenue measures taken in this budget. Without these measures, revenues would actually have declined by $600 million this year. That's because of the moderate pace of economic growth, the low rate of inflation, the effect of corporate tax loss carrying provisions and the need to repay the federal government this year for income tax overpayments that date back to 1991. In addition, various one-time payments boosted 1992-93 receipts including asset sales and established program financing payments in respect of prior years.

To maintain public services, vigorous cost control has been and will continue to be essential. As a result of the measures announced in this budget, operating spending will be held to $50 billion in 1993-94, which is $3 billion below the target we set a year ago. Excluding public debt interest, our operating spending will be 4.3% lower in 1993-94 than it was last year.

Ontario's operating deficit will be $6.1 billion. Adding in budgetary capital investments of $3.1 billion, our budgetary requirements will be $9.2 billion. Despite continuing fiscal pressures, this level is $2.8 billion below that of the last fiscal year.

Today I'm also presenting a medium-term fiscal plan extending to 1995-96. We remain committed to the goals we set out in our first budget: to reduce the operating deficits steadily as the economy recovers; to reduce the deficit as a proportion of gross domestic product in total revenue; to keep the rate of expenditure growth low; and to stabilize our debt servicing costs.

We remain committed to balancing the operating budget. Because of the impact of the revenue shortfall, we will balance our operating budget one year later than planned -- in 1998 rather than 1997.

The operating deficit will decrease from $6.1 billion in 1993-94 to $2.6 billion in 1995-96. Taking into account capital expenditures, the government's budgetary requirements are projected to decrease from $12 billion in 1992-93 to $4.8 billion in 1995-96.

In conclusion, the goal of this government's economic plan is to invest in Ontario's future rather than borrow from it.

It is a plan for investing in jobs, reducing the cost of government, protecting services and raising needed revenues.

It is a plan that requires courage and leadership, which our Premier, Bob Rae, has demonstrated in abundance, and I thank him for his continuing support.

All of us look to a future with secure jobs and decent incomes, where parents can afford to raise their children in good health and in safe homes, where children go to school ready to learn, where our schools prepare our young people for the challenges they will face and where older people can enjoy a secure retirement. That is the future this budget seeks to build.

This budget puts investing in jobs and economic growth at the top of our action agenda.

It cuts the cost of government operations in ways that preserve jobs and services.

It asks Ontarians who have the most to pay the most, while protecting those who are most vulnerable.

It provides a fair balance, a balance in how much we cut, how much we borrow and how much we tax.

This budget faces reality. It does not put off the tough decisions until another day.

This budget provides a firm foundation for the economic recovery, so that our economic future and the public services we all value will be secure.

Thank you, Mr Speaker.