

# 1998 Ontario Budget

## Budget Speech

*Jobs for the Future, Today*



**The Honourable Ernie Eves, Q.C.**  
**Minister of Finance**





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## **Budget Speech**

*Jobs for the Future, Today*

**Presented to the  
Members of the Legislative Assembly of Ontario by  
The Honourable Ernie Eves, Q.C.  
Minister of Finance  
May 5, 1998**

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*1998 Ontario Budget: Budget Speech*  
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*Budget de l'Ontario 1998*  
*Exposé budgétaire*  
*Investissons aujourd'hui dans les emplois de demain!*  
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## Introduction

All across Ontario today, small business owners, entrepreneurs, and private-sector investors are creating jobs. Jobs for welders and store clerks; for child care workers and truck drivers; for factory workers and software designers; for scientists, technicians and machinists. Companies large and small are investing and expanding.

Today, taxes are lower; the deficit is being reduced; welfare recipients are returning to work; taxpayers' money is being spent more wisely; and major investments are being made in health care and in our children's classrooms.

In the first quarter of 1998, Ontario experienced a rate of job growth unprecedented in the past 15 years, and I am proud to say that, between February 1997 and February 1998, more jobs were created in Ontario than have ever been created in a one-year period in the entire history of our province.

Today, Ontarians have a renewed confidence; a renewed optimism in our future. Today, Ontarians believe, as do we, that our province is once again the best place in the world to live, work and invest.

In my Budget last year I spoke of laying the foundations so that young people like my daughter Natalie and her generation could reach their full potential in a greater, stronger Ontario.

This Budget builds on those foundations through more tax cuts, additional improvements in health care, support for children, initiatives for safer communities, and investments in learning.

I want to extend my personal thanks to my good friend Premier Harris and my colleagues in the House for their guidance and counsel.

I would also like to thank the entire team at the Ministry of Finance; my personal staff, led by Steve Pengelly; and Finance staff inspired by Deputy Minister, Michael Gourley.

I don't think it would be possible to find a more dedicated, innovative team leader than Mike Gourley. His assistance and support have helped me immeasurably over the past three years. I guess you could even say, Mr. Speaker, that this Budget has been "Gourleyized."

I especially want to thank my family. My mother — who, while encouraging all of her children to get an education to prepare themselves for future opportunities, never let us forget the needs of the less fortunate in society.

To my wife Vicki, and daughter Natalie, a heartfelt thank-you for their support and love through some very difficult times.

Thank you to the many individuals and organizations across the province who shared with me their thoughts, their ideas and their experiences.

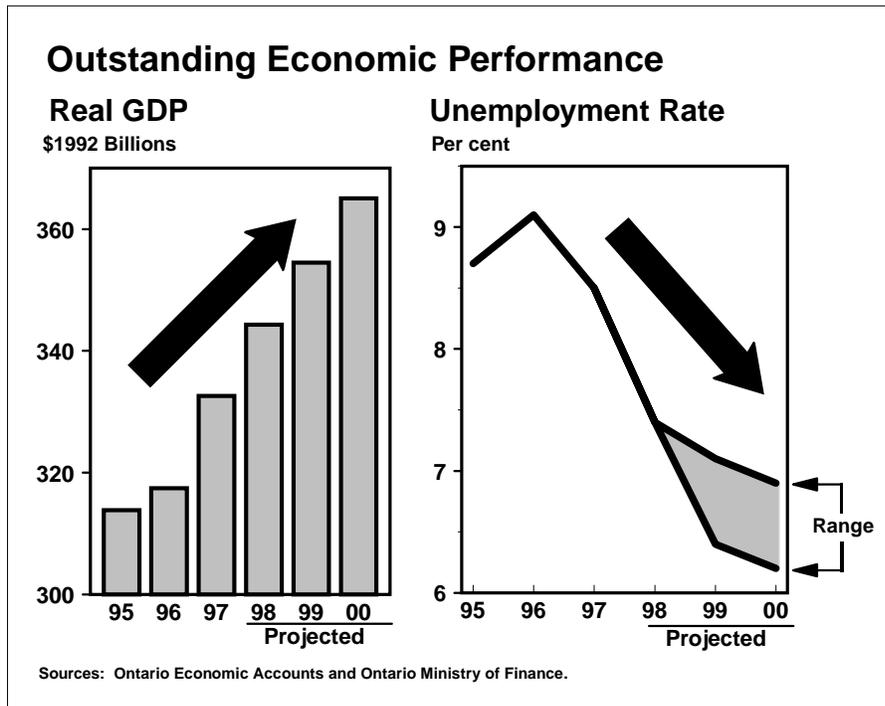
## **Ontario's Economy Leading The Way**

All Ontarians can be proud of the accomplishments of the last three years.

Ontario's economy is booming.

The province's economy expanded by 4.8 per cent in 1997. The average private-sector forecast for growth in 1998 is 4.0 per cent.

Private-sector forecasters expect Ontario's economy to grow faster than that of any of the G-7 industrial countries over the next three years.



Consumer confidence rose for the ninth straight quarter in early 1998, and so far this year, retail sales have grown by 10 per cent.

Housing starts increased by 25.6 per cent in 1997. Our Land Transfer Tax refund has helped more than 28,000 families buy their first new homes. The value of business building permits issued in 1997 rose by 32.6 per cent.

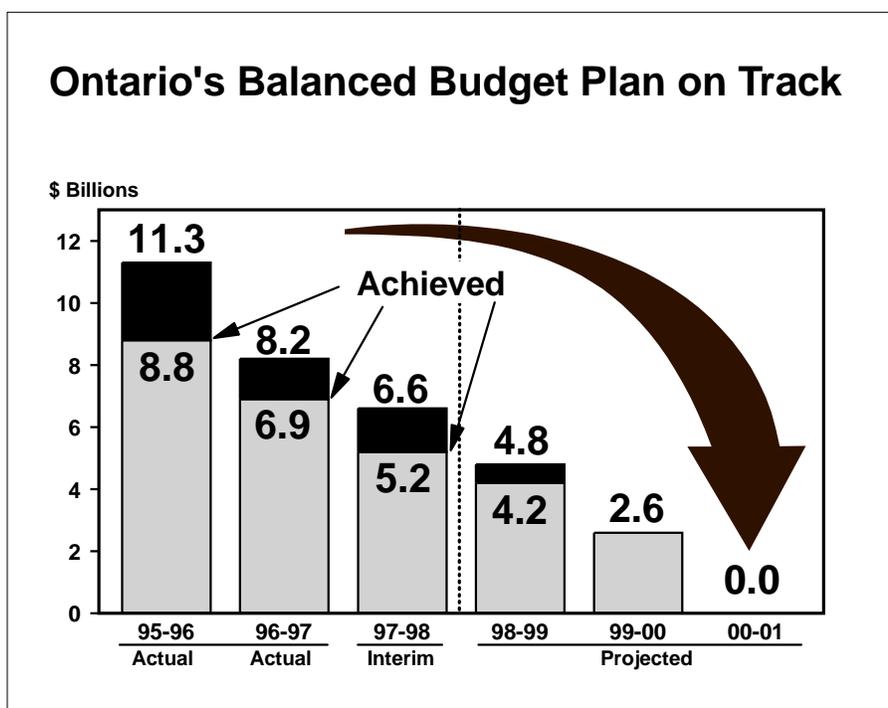
Ontario's international exports are up by 8.3 per cent so far this year. The Export Marketing Task Force is working to increase Ontario's share of the global export market.

Women entrepreneurs are playing an ever-increasing role in the expanding Ontario economy. The Joseph L. Rotman School of Management at the University of Toronto is developing new business leaders with its highly successful management program. In partnership with the private sector, it is recognizing outstanding successful women entrepreneurs through its Woman Entrepreneur of the Year Award.

My colleague, the Honourable Dianne Cunningham, Minister Responsible for Women's Issues, will be holding roundtable discussions on ways to expand this type of very innovative program.

## On Target to Balance the Budget

The 1997-98 Ontario deficit will be \$5.2 billion. This represents a reduction of almost \$1.4 billion from the \$6.6 billion target for 1997-98 set out in the 1997 Budget, and includes \$725 million for the cost of an agreement with teachers providing for an early retirement opportunity and other benefit enhancements.



The deficit for 1998-99 will be \$4.2 billion, \$0.6 billion lower than the deficit target for this year set in the Balanced Budget Plan.

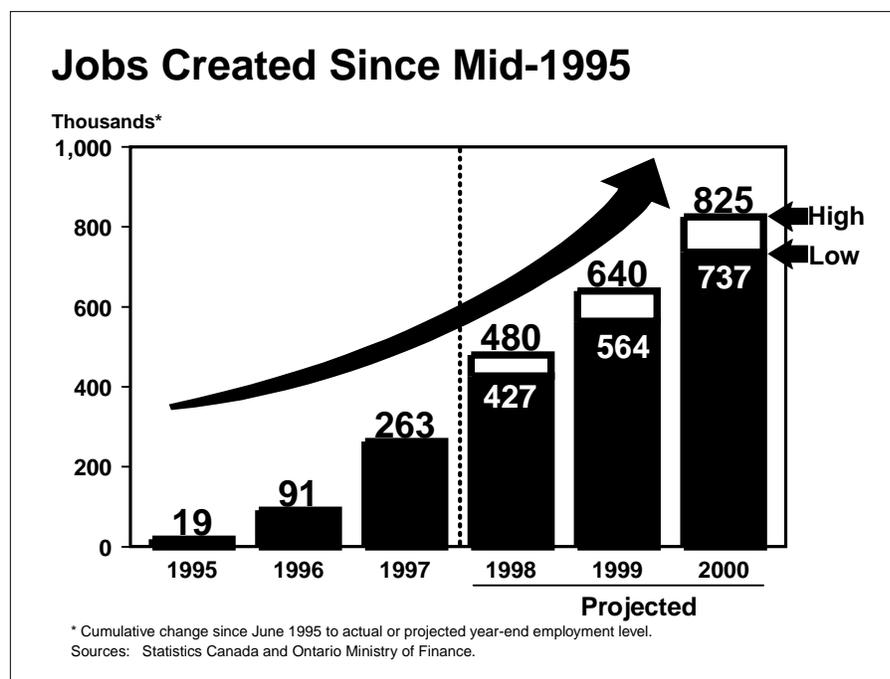
The Balanced Budget Plan will ensure that the deficit is eliminated by the year 2000-01.

## Creating Jobs Through Tax Cuts

The Ontario economy created 265,000 net new private-sector jobs between February 1997 and February 1998. This was the largest number of jobs created in a 12-month period in the province's history. In the first quarter of this year, the Ontario economy created jobs at a rate unequalled in the past 15 years.

Ontario's unemployment rate declined again in March to 7.4 per cent.

Overall, 1998 promises to be one of the best years in Ontario's history for job creation.



## Cutting Ontario Income Taxes Means More Jobs

A tax cut is the best job creation program.

I have already announced 30 tax cuts. Today I am proposing 36 more tax reductions.

***30 per cent  
PIT cut six  
months early***

We promised the people of Ontario a 30 per cent income tax cut over three years. As a result of the first four steps of the Ontario tax cut, the economy has performed better than expected. Therefore, I am introducing legislation to accelerate the final phase of the tax cut to July 1, 1998 — half a year ahead of schedule.

A promise made, a promise kept.

Every Ontario taxpayer gets a tax cut.

When this final stage is implemented, more than 90 per cent of Ontario taxpayers will see a cut in Ontario income tax of at least 30 per cent.

Most of the tax reduction will go to the nearly three million middle-income taxpayers in this province. These taxpayers, who earn between \$25,000 and \$75,000, will receive 64 per cent, or almost \$3 billion, of savings from the tax cut every year.

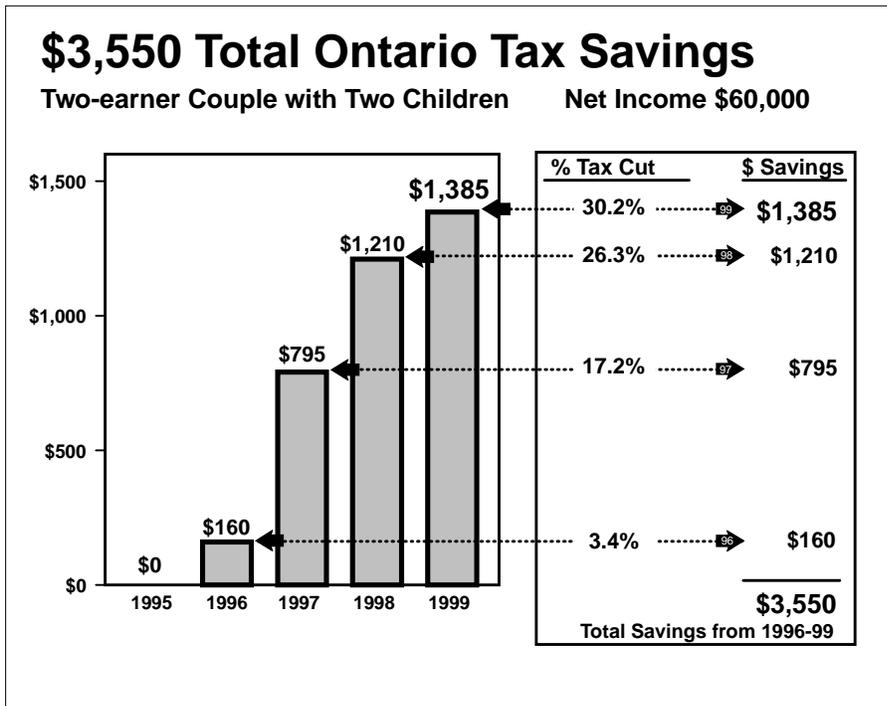
Ontarians with modest incomes will get the largest percentage reductions.

Ontario leads the way in cutting taxes. In 1998, the broad-based Ontario income tax cut will provide five times more in tax reductions than the selective cuts made by the federal government. The Ontario tax cut means more tax relief for more people.

As a result of Ontario's tax cut, a couple with two children and a net family income of \$60,000 will pay \$1,210 less in Ontario income tax this year. When this year's cut is combined with reductions in the last two years, that family will have saved \$2,165. When 1999 is added, the benefit to this family from Ontario's tax cut will be \$3,550.

This same family can look forward to only \$120 in tax savings in 1998 from the narrowly based federal tax cuts.

Ontario and other provinces have taken action by introducing substantial income tax cuts. In recent discussions, several



leading economists told us that the federal government’s refusal to cut taxes meaningfully is holding back economic growth.

Meaningful and lasting jobs are created by the private sector. Governments can help by establishing an environment that supports job creation, by cutting taxes, reducing the deficit and eliminating red tape. The Government of Ontario is doing just that.

We are committed to taking further action to foster job creation.

### **Small Business Tax Cuts Mean Jobs**

Last year, small businesses created an estimated 82 per cent of all new private-sector jobs in Ontario.

Ontario promised to support job creation by reducing the payroll tax burden on small business.

In the 1996 Budget, the Government announced that the Employer Health Tax would be eliminated for the first \$400,000 of payroll, effective January 1, 1999. A full 88 per cent of Ontario private-sector employers would no longer have to pay this job-killing payroll tax.

***EHT cut  
accelerated  
by six months***

I am proposing to accelerate the final phase of this exemption. In order to give effect to the \$400,000 exemption beginning July 1, 1998, I will introduce legislation to increase the payroll tax exemption from \$300,000 of payroll to \$350,000 of payroll for the entire 1998 taxation year, delivering the exemption a full six months ahead of schedule.

A promise made, a promise kept.

**Small Business Tax Rate Cut in Half**

Many individual small business owners have told us that further cuts to small business taxes would help them to create even more jobs.

***Small  
business tax  
rate cut in  
half to  
4.75 per cent***

Today, I am pleased to announce that the Government will introduce legislation to cut the small business corporations tax rate in half to 4.75 per cent — the lowest rate in Canada — over the next eight years. Under this legislation, the tax rate on eligible small business income would be reduced from 9.5 per cent to 9.0 per cent immediately, and would be reduced each year thereafter until 2006, when it would be one-half of the current rate. This tax cut will help more than 90,000 small businesses continue to grow and create jobs in the province.

We have been told by small business that certainty boosts business confidence and encourages job creation. To ensure that small businesses can be certain of receiving the full benefit of this cut, proposed legislation will confirm the entire eight-year reduction.

## **Commercial and Industrial Property Taxes Cut by Half a Billion Dollars**

Three months ago, I offered to match dollar-for-dollar cuts in above-average business property taxes. I am pleased to announce that the Province will do its part.

We will introduce legislation to ensure an eight-year plan to reduce commercial and industrial education tax rates in municipalities where these tax rates are above the provincial average. Provincial business education taxes will be cut by more than \$500 million from current levels, starting with a \$64 million cut this calendar year. The cut will be \$128 million in 1999 and the balance will be phased in over the remainder of the eight-year program.

***Cutting high  
business  
education  
tax rates***

A promise made, a promise kept.

Lower property taxes will increase the competitiveness of Ontario businesses and help them to create more jobs.

Local governments also need to cut taxes to create jobs and stimulate economic growth in their communities. Only a few of Ontario's 650 municipalities have announced decisions on 1998 property taxes to date.

Some communities, such as Milton, Nepean and the Township of Haldimand, are leading the way and have announced plans to cut municipal property taxes. Some municipalities have announced plans for a tax freeze and a balanced budget including the cities of Toronto, Niagara Falls, Kingston and Owen Sound, and the towns of Fort Frances and Kenora.

Other municipalities have demonstrated a solid record on holding the line on taxes, including the cities of Brantford, Stratford and Cornwall, and the towns of Prescott, Blind River and Parry Sound.

The City of Mississauga, under the dynamic leadership of Mayor Hazel McCallion, has an enviable record in this regard.

After municipal budgets have been set for 1998, the Government will begin a new dialogue with municipalities and taxpayers to find the most effective ways to further reduce property taxes, while maintaining important services.

## **Investing in Jobs for the Future, Today**

In the 1997 Budget I announced the creation of the Ontario Research and Development Challenge Fund. The \$500 million Fund supports leading-edge R&D through partnerships between Ontario's research institutions and the private sector.



Today, I would like to announce four investments approved in the Challenge Fund's first competition.

Laurentian University in Sudbury will establish a new Research and Development Program for Sustainable Mining that will develop innovative mining technology.

The Samuel Lunenfeld Research Institute at Mount Sinai Hospital, a world leader in medical research, will set up a program in Biomedical Research for the 21<sup>st</sup> Century.

The University of Waterloo and the University of Toronto will each establish complementary research laboratories to develop computer technologies for telecommunications services.

Every one of these initiatives has attracted substantial private-sector funding. I would like to thank Dr. Cal Stiller, Chair of the Ontario R&D Challenge Fund Board, for his fine leadership in making the R&D Challenge Fund a high-impact program.

These are only a few of the many excellent proposals to be approved that the Challenge Fund is supporting. My colleague, the Honourable Jim Wilson, Minister of Energy, Science and Technology, will announce other investments in the coming weeks.

The Province will accelerate \$135 million of the R&D Challenge Fund commitment over the next three years to match the Canada Foundation for Innovation's initial awards to Ontario's research institutions. I would like to thank Dr. Peter George, President of McMaster University, and Dr. William Leggett, Principal of Queen's University, for making this suggestion on behalf of all Ontario universities.

### **Jobs Through Telecommunications**

The Government will extend the Telecommunications Access Partnerships (TAP) program by investing \$30 million over the next three years to further encourage innovative ways to make use of the information highway. The TAP program is opening new paths for the sharing of information in health care and education.

I am also introducing initiatives to support the interactive digital media, sound recording, and computer animation and special effects industries, which have the potential for rapid expansion and job creation.

### **Jobs in Transportation**

A vibrant economy depends on high-quality, high-capacity transportation networks. We are investing more than \$820 million in 1998-99 to upgrade Ontario's highways, including our northern highway network. The Minister of Transportation, the Honourable Tony Clement and the Minister of Northern Development and Mines, the Honourable Chris Hodgson, will announce further details.

### **Jobs in Agriculture**

The resurgence of the Ontario agriculture and food sector — led by new investments, innovations in value-added food products, and record levels of exports — continues to be a key component in the growth of the provincial economy.

The Government's plan is working to ensure that more good things grow in Ontario. Jobs grow in Ontario.

## **Jobs in Tourism and the Arts**

More than 200,000 people have jobs in tourism, one of Ontario's most important industries.

Attractions and destinations such as Niagara Falls, Point Pelee, Toronto's CN Tower, Georgian Bay's 30,000 Islands, Science North, Lake of the Woods, Ottawa's Rideau Canal and Upper Canada Village, are just some of the reasons why 33 million visitors are drawn to Ontario annually. Additional tourism marketing will attract more visitors and create more tourism jobs.

Ontario was once a leader in tourism promotion. We have listened to Ontario tourism operators' call to better promote Ontario. We are responding by investing \$120 million to market Ontario better, over the next four years.

Increased tourism will also be encouraged by a new self-sustaining Cultural Attractions Trust Fund that will support the tourism potential of major events at cultural centres such as the McMichael Art Gallery, the Royal Botanical Gardens, the Art Gallery of Ontario and the Royal Ontario Museum.

A new \$25 million Arts Endowment Fund will match and invest money for participating arts organizations that contribute to Ontario's vibrant culture and diverse economy. I would like to thank the former Lieutenant Governor of Ontario, and current Chair of the Ontario Arts Council, the Honourable Hal Jackman, for this recommendation.

## **Preserving the Environment, Creating Jobs**

A clean environment keeps Ontario competitive and makes the province an attractive place to live and work.

Ontario will provide \$20 million in funding for the Natural Areas Protection initiative to protect important natural heritage sites and environmentally sensitive lands. The funding will assist in acquiring lands to develop a system of parks and protected areas in the Niagara Escarpment, the Rouge Valley and the Linde Marsh.

I am announcing \$10 million in funding for Fish and Wildlife Protection and Enhancement, to improve the province's fish and wildlife management.

I am also announcing the creation of the Ontario Great Lakes Renewal Foundation with an initial endowment of \$5 million to attract contributions for clean-up efforts around the Great Lakes.

## **Helping People with Disabilities Get Jobs**

Society benefits when all of its members are given an opportunity to contribute in a meaningful way in the workplace.

The Government is committed to supporting people with disabilities through a variety of measures, including the creation of an *Ontarians with Disabilities Act*. We will promote opportunities for people with disabilities by increasing accessibility to employment, transportation, education and training. People with disabilities can, want to, and do contribute to a thriving economy.

The Government has already taken people with disabilities off welfare through the Ontario Disability Support Program.

Today, we propose to provide a new, accelerated tax incentive that would support the efforts of businesses to accommodate people with disabilities. This measure would assist thousands of businesses each year in providing increased access and job opportunities for people with disabilities.

My colleague, the Honourable Isabel Bassett, Minister of Citizenship, Culture and Recreation, will announce details.

As well, we propose that the Retail Sales Tax rebate for personal use vehicles purchased to transport people with physical disabilities be expanded to include additional family members and non-family care-providers.

## Ontario's Youth and Tomorrow's Jobs

Ontario youth are benefitting from the province's strong economic growth. However, too many young people are still unemployed.



The Minister of Agriculture, Food and Rural Affairs, the Honourable Noble Villeneuve, will announce details of a four-year, \$35 million Rural Youth Jobs Strategy shortly.

The Premier recently announced the 1998 Summer Jobs Strategy, a \$51 million program that will help 48,500 youth find jobs this summer, twice as many young people as were helped in 1995.

The number of students attending colleges and universities in Ontario actually increased in the last decade, even though the population of 18- to 29-year-olds declined.

The Minister of Education and Training, the Honourable David Johnson, will announce how an additional \$29 million in annual grants, phased in over three years, will recognize the contribution of Ontario universities that have increased students' access to post-secondary education, and enhanced their job opportunities.

We are excited about the federal government's new Millennium Scholarship Fund, which will provide an estimated \$1.2 billion in scholarships to Ontario's college and university students over 10 years, beginning in 2000.

### ***\$9 billion new student assistance program***

We have a plan to create a new student assistance program, which will be designed to meet the needs of Ontario students and to limit student debt. We will combine Ontario's share of the Millennium Fund with both federal and Ontario spending on student loans to create a new Canada-Ontario Millennium Fund for Students that will invest more than \$9 billion in student assistance over 10 years.

In the coming months, the Minister of Education and Training will propose details of this new program. This program will

address all elements of student assistance, including harmonizing the patchwork of federal-provincial programs, and simplifying administration. It will allow us to take major steps forward in supporting college and university students, and maintaining their access to an affordable education.

A promise made, a promise kept.



## **Learning Opportunities**

Access is not just about financial resources. More must be done to help students with learning disabilities attend college and university.

The Learning Opportunities Task Force for the integration and support of learning disabled students in post-secondary education, which I asked Dr. Bette Stephenson to lead in last year's Budget, has completed its initial work and will be reporting on selected pilot projects over the next few weeks.

Nine pilot projects have been selected, involving nine colleges of applied arts and technology and four universities.

Among those institutions that have been selected are York University, the University of Guelph, Cambrian College and an innovative partnership among our three french language colleges — la Cité collégiale, le Collège Boréal and le Collège des Grands Lacs.

The needs of both french language and aboriginal students are addressed by the proposals.

The selected pilot projects will provide post-secondary programs needed by more than 2,000 learning disabled students over the next five years.

A promise made, a promise kept.

Colleges have benefitted from a one-year extension of the Ontario Student Opportunities Trust Fund. They have raised an additional \$30 million, which will be matched by the Province. The more than \$600 million in total in the Fund will

help 185,000 college and university students over the next decade.

A promise made, a promise kept.



The Government, in partnership with the private sector, will reward excellence in graduate studies in science and technology through new graduate scholarships. Seventy-five million dollars will be awarded to students over the next 10 years through this initiative.

In addition, the Government, in partnership with the private sector, will provide \$75 million over 10 years for new research excellence awards to help our world-class researchers attract talented people to their research teams. The Minister of Education and Training and the Minister of Energy, Science and Technology will provide more detailed information about these awards.

### **Access To Opportunities Program**

In the last 10 years, two out of every three new jobs in Ontario have been created in knowledge and technology-based industries.

Demand by Ontario businesses for skilled employees consistently exceeds the supply of graduates from our colleges and universities. The Canadian Advanced Technology Association has told us that there will be a shortage of 42,000 computer scientists and electrical and computer engineers over the next five years. They said we must “double the pipeline” of graduates in these programs to remain competitive.

#### ***Doubling opportunities for students in high-tech programs***

Today, I am announcing a special Access To Opportunities Program to enable twice as many students to enroll in computer science and high-demand engineering programs. The Government will invest \$150 million over the next three years to implement this program, which will provide up to 17,000 new opportunities for students each year. The Government will apply a “market test” by requiring industry to match start-up costs.

In the 1997 Budget, I announced a government-industry partnership to create a world-class Animation, Communications Design and Technology Centre at Sheridan College. Today, I am committing more than \$10 million for another four projects that will enhance strategic skills.

We will support a new partnership between Georgian College and the Industrial Research and Development Institute, made up of 250 member firms that employ more than 150,000 people. The partnership will provide advanced training in automotive parts design and manufacturing technology.

I would like to thank Norman Jewison for his efforts to enhance new media skills training, and announce that we will support this work at the Canadian Film Centre.

We will support comprehensive skills training for the telecommunications industry through the Telecommunications Learning Institute at Humber College.

Our support of metal machining, and engineering and information technology training at Conestoga College will help to provide the skilled workers required by many southwestern Ontario firms.

The Province has set aside an additional \$20 million this year to seek and support more of these effective partnership projects to develop critical skills now. The Minister of Energy, Science and Technology will lead consultations with industry, educational institutions and training providers, and begin making approvals in June.

In addition to these new initiatives, we have a comprehensive plan to strengthen training in the workplace and get thousands of unemployed Ontarians back to work. We will use the Employment Insurance dollars that Ontario's employers and employees have contributed and deserve.

Over the next 10 years, our made-in-Ontario workplace training and employment plan will direct some \$9.5 billion to Ontario's priorities. It will provide opportunities for 750,000 Ontarians per year.

***\$9.5 billion  
plan for  
training and  
employment***



Our plan will give apprenticeship the status and recognition it deserves. We need to dramatically change and redesign Ontario's apprenticeship program to make it more relevant to the workplace.

We will work with employers to provide work placements, internships and on-the-job training to meet critical skill shortages. We will work with municipalities to ensure that welfare recipients have a chance to get marketable skills and meaningful work experience. We will provide young people with jobs and training.

This is Ontario's plan. It is imperative that the federal and provincial governments work together to put taxpayers' dollars to the best use by providing every person with an opportunity for a lasting and meaningful job.

## **Emphasizing Work, Not Welfare**

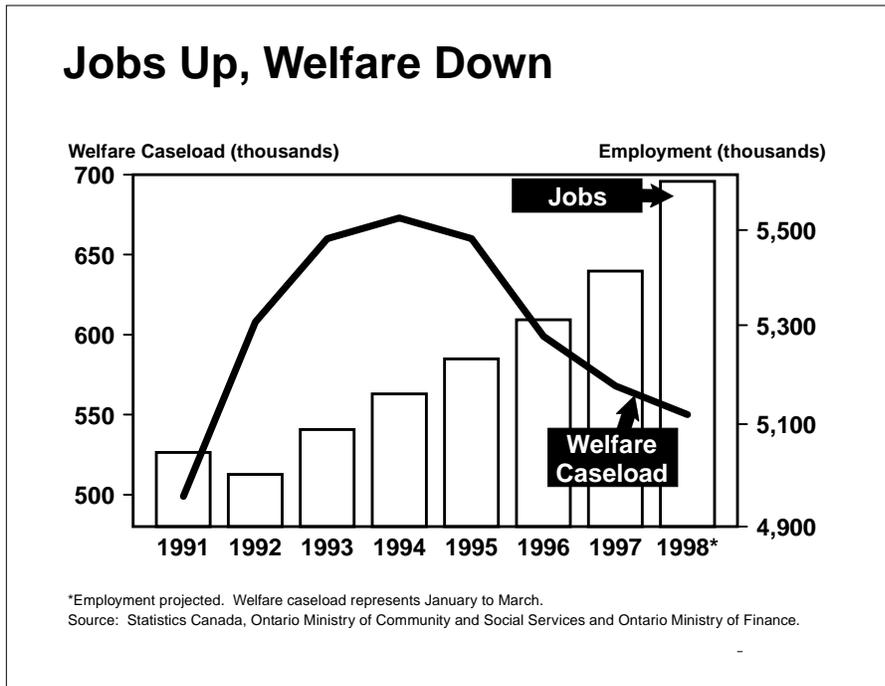
The Government's reforms to welfare are producing impressive results. Since June 1995, the welfare caseload has gone down by nearly 20 per cent.

More than a quarter million people are no longer dependent on welfare. That is equivalent to the combined populations of cities the size of Ajax, Belleville, North Bay, Owen Sound and Sarnia.

Ontario Works is all about helping people on welfare get jobs. Already, more than 240,000 people have benefitted by acquiring skills, confidence and contacts.

A promise made, a promise kept.

The Government will take further steps to ensure that welfare recipients continue to find routes to jobs and independence.



The Learning, Earning and Parenting (LEAP) Program will provide \$25 million in child care subsidies and other supports to help single parents on welfare finish school.

A promise made, a promise kept.

An additional \$10 million will be made available for child care assistance for other participants in Ontario Works to provide greater flexibility and choices for parents.

The Honourable Janet Ecker, Minister of Community and Social Services, will have more to say about these important initiatives shortly.

## **Increased Support for Modest-Income Taxpayers**

For the third year in a row, the Government proposes to give extra tax cuts to modest-income taxpayers through the Ontario Tax Reduction program.

The Ontario Tax Reduction adjustments made by this Government will benefit an additional 360,000 taxpayers. Seventy thousand Ontarians will have their Ontario income tax eliminated, and a further 290,000 taxpayers will have their income tax reduced by more than 30 per cent.

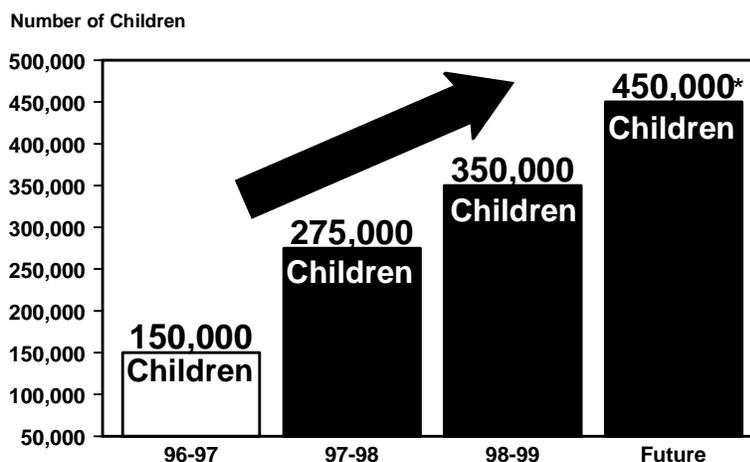
### **New Ontario Child Care Supplement for Working Families**

We recognize the importance of providing assistance to working families.

***\$140 million  
new child  
care  
supplement  
for working  
families***

In the 1997 Budget, I announced a \$40 million child care tax credit. Ontario intends to combine that money with an additional \$100 million in 1998-99 to create a new program that supports 350,000 young children in working families. Under this program, modest- and middle-income working families would receive a new Ontario Child Care Supplement for Working Families of up to \$1,020 for each child under age seven. Next year we plan to invest more than \$200 million in this program.

### **Broader Support for Child Care**



\* Exact number depends on future design.

The Government proposes to provide businesses with a new 30 per cent Workplace Child Care tax deduction for the capital cost of building or expanding on-site child care facilities, or for contributions to facilities in the community that care for the children of working parents.

The child care initiatives introduced by this Government would triple the number of children who benefit from child care assistance to an estimated 450,000 children.

A promise made, a promise kept.

## Strengthening Health Care

We all want to be sure that the excellent health care services we rely on will be there when we, our family members, or friends require help.

Despite the fact that the federal government reduced funding for the program that supports health care by \$2.4 billion over the last three years, this year Ontario will spend \$18.5 billion on health, up \$300 million from the 1998-99 spending announced in the December 1997 Economic Outlook and Fiscal Review.

***\$18.5 billion  
for health  
care***

Despite the fact that the federal government now spends only \$125 for health care for each person in Ontario, this year the Ontario Government is spending \$1,639 to meet the health needs of each Ontarian.

Despite the fact that the federal government collects twice as much in personal income tax revenue from each taxpayer in Ontario than the provincial government collects, it provides less than eight cents of every dollar spent on health care, **while Ontario pays the rest.**

While the federal government has all but abandoned the health care needs of Ontarians, our Government is improving the services people have now, and expanding those that they will need in the future.

Not only is this year's projected health care spending of \$18.5 billion an increase of more than \$1 billion from 1995-96, it is more than any Ontario government has ever spent on health care.

A promise made, a promise kept.

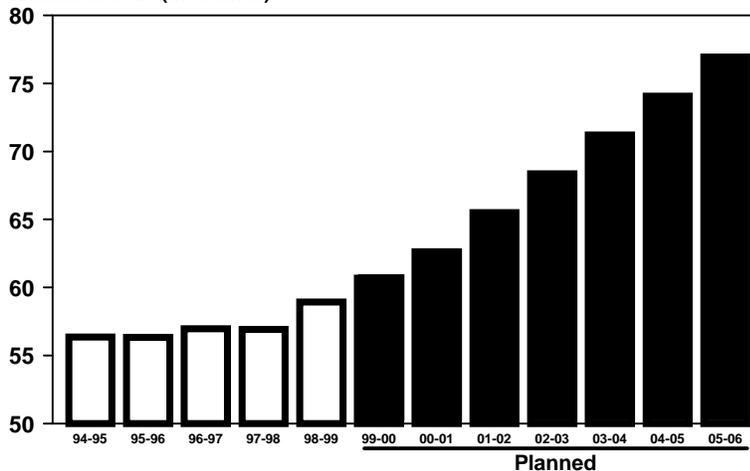
**\$1.2 billion  
for 33,500  
senior care  
beds**

My colleague, the Honourable Elizabeth Witmer, Minister of Health, announced that community-based health services will be expanded over the next eight years to better care for an aging population. The Province is adding 20,000 and upgrading another 13,500 senior care beds. The Government will invest \$1.2 billion to increase beds for seniors by 35 per cent and expand health care services for seniors, people with continuing care needs, and children with disabilities.



### 35% Increase in Beds for Seniors and Persons with Disabilities

Number of beds (thousands)



The Minister of Health responded quickly to the recommendations of the Hospital Emergency Room Task Force by announcing \$75 million over the next two years to support opening hospital beds in times of peak demand. The Government will also increase training for critical care and emergency room nurses.

In addition, \$55 million will be spent over two years to create 1,700 senior care beds in available space in hospitals.

All of these changes mean improved health services. They also mean jobs. The increase in senior care beds will lead to the creation of 27,500 nursing, personal care and other health care jobs and 42,500 construction jobs. Our emergency room investments will provide temporary jobs for 1,000 nurses. With a \$1 million investment, 100 nurses will receive the most up-to-date training in critical and emergency care.

I am also announcing \$5 million to enhance community-based nursing care in community health centres and other agencies.

To ensure a more coordinated approach to the future of the nursing profession, the Government will establish a Nursing Services Task Force.

The Government will provide \$300 million for medical equipment renewal to ensure that the health care sector has the capacity to maintain the excellence of its medical equipment. This will assist the health sector in addressing Year 2000 issues.



## Helping Ontario's Children

The Government is committed to improving the health and safety of children in Ontario.

Ontario will increase funding for the Healthy Babies, Healthy Children program by \$10 million in 1998-99, growing to a \$50 million annual program by 2000-01. The program screens all newborns, identifies those at high risk, and ensures that they receive community services.

Prior to this Budget, I held 20 roundtable discussions with more than 200 groups representing a broad cross-section of Ontario society. I have spoken personally with hundreds of individuals who have shared their ideas with me.



***\$170 million  
more for  
Ontario's  
Children's  
Aid Societies***

Representatives of Children's Aid Societies told me that more needs to be done to help our most vulnerable children. We listened and we are responding by providing Children's Aid Societies with an additional \$170 million over the next three years. These resources will be directed at increasing the number of child protection staff, providing better training for front-line workers, and revitalizing foster care.

A promise made, a promise kept.

## **Educating Our Children**



Ontarians understand that the most effective education dollars are those spent in the classroom.

In March, the Minister of Education and Training announced the fair funding formula for education. The Government has defined classroom spending and focused elementary and secondary education dollars there, while adding \$583 million in new spending in the classroom.

A promise made, a promise kept.

***\$1.2 billion  
Class Size  
Protection  
Fund***

Students achieve better results when they are in smaller classes and can receive more individual attention from their teachers. That is why Ontario introduced the Class Size Protection Fund.

This \$1.2 billion Fund will end the trend toward larger classes and ensure that the average class size, on a board-wide basis, is no larger than 25 students in elementary school and 22 students in secondary school.

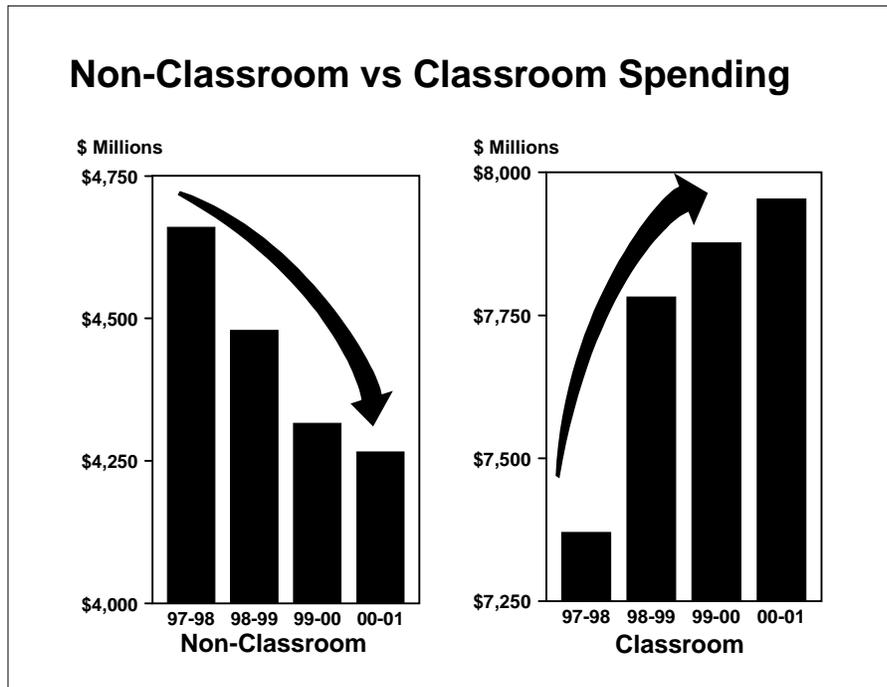
***\$1 billion for  
children with  
special needs***

For students with special needs, we are providing \$1 billion each year in a separate envelope to ensure that this funding indeed goes to special education.

***Stable  
spending for  
education***

The Minister of Education and Training has committed to stable spending for elementary and secondary education over the next three years.

A promise made, a promise kept.



Today, I am pleased to announce that over the next two years, the Government, together with private-sector partners, will invest \$130 million to strengthen the Internet networking of our education system and promote life-long learning.

The Government will provide \$100 million for the purchase of textbooks and other learning materials so that all elementary students will have access to the very latest information and knowledge. This will double the amount of money available for books in the next school year. Funding of \$150 will be provided for each and every elementary school student.

**\$100 million  
for new  
textbooks**

In addition, the Minister of Education and Training will announce more than \$12 million in funding in 1998-99 for initiatives to update laboratories and buy equipment, double the grants to school boards for math and science tutors, and expand standardized testing.

One of the most innovative ideas I heard in roundtable discussions came from Rich Richardson, a volunteer with the High Road Foundation. In response to Mr. Richardson's request, the Foundation will be given funding for a pilot project to look at ways to help our young people stay in school.

To complement the introduction of the new fair funding model for education, the Government will provide one-time adjustment funding of \$69 million to assist school boards in a smooth implementation of the funding model.

***Agreement  
good for  
education,  
students,  
teachers,  
taxpayers***

The Government and the Ontario Teachers' Federation, representing 155,000 teachers, 90,000 deferred pensioners, 57,000 pensioners, surviving spouses, and their families, have reached an agreement on changes to the Teachers' Pension Plan.

This agreement is good for education, good for students, good for teachers and good for taxpayers.

It will allow more than 18,000 teachers to retire early and will open up many thousands of teaching opportunities for highly qualified graduates of Ontario's teachers' colleges.

Taxpayers will no longer have to make \$33 billion in unnecessary special payments to the Teachers' Pension Plan over the next 31 years.

## **Safety in Our Communities**

Everyone has a right to a sense of personal safety and to feel assured that their family is safe. The Government will spend more than \$150 million over five years on new community safety initiatives.

The Community Policing Partnership with municipalities will result in the hiring of hundreds of new front-line police officers to serve our communities.

Other initiatives include a new OPP Cadet Training Program, a Rural Crime Prevention Strategy, the establishment of a multi-force "Anti-Biker Gang Squad," and a proposal to more than double fines for running red lights.

We will ensure that the appropriate judicial infrastructure is in place to support these initiatives.

All of these initiatives have benefitted from the efforts of my friend and colleague, Bob Runciman, the member for Leeds-Grenville, to find ways to make our communities safer.

## **Conclusion**

Today's Budget does indeed build on the foundations we have laid for a greater and stronger Ontario.

The 36 tax cuts I am proposing in this Budget will bring to 66 the number of taxes we have cut in less than three years. Tax cuts that are creating jobs and economic growth.

But tax cuts don't just create opportunities — they ensure a quality of life that allows all Ontarians to take advantage of these opportunities, today and in the future.

As President John F. Kennedy said in 1962,

Wealth is the means and people are the ends. All our material riches will avail us little if we do not use them to expand the opportunities of our people.

In Ontario, tax cuts are helping welfare recipients find hope, and are contributing to child care initiatives that support almost half a million children and their families.

They are assisting hundreds of thousands of post-secondary students to get the education they deserve, and they are aiding our Government as we remove the barriers that keep people with disabilities and other Ontarians from sharing fully in our thriving economy.

Tax cuts are contributing to significant new investments in the classroom — in textbooks province-wide, and they are allowing for record investments in health care to ensure that our families have the services they require, and that our seniors have the care and dignity they deserve.

In the words of Premier Harris,

Our goals have always been straightforward: to build a climate where jobs and prosperity are available equally and to all people; to maintain the quality of life that we enjoy in Ontario; and to ensure a healthy and secure future for our children, a future full of hope and opportunity.

As today's Budget confirms, Ontario is poised to enter the 21<sup>st</sup> Century with a confidence that many thought impossible just three years ago.

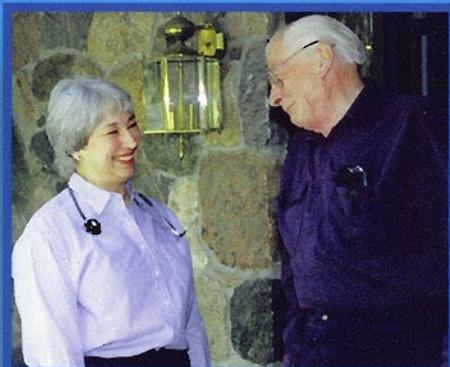
With jobs and growth.

With prosperity today and optimism for a better tomorrow.

With promises made. Promises kept.



# ONTARIO



Jobs  
for the  
Future

*A great place  
to do  
business.*



Strong  
Economic  
Growth



Gaining  
Skills,  
Confidence  
and  
Independence



Quality in  
Education



Life-long Learning

# JOBS

For the future, today.