

**Notes for
The Honourable Ernie Eves
Minister of Finance**

**Canadian Club of Toronto
and
Empire Club of Canada**

May 7, 1998

Check against delivery

Thank you for having me back again this year.

It seems that it has become tradition for me to make my first post-Budget speech here, at the combined luncheon of the Canadian and Empire clubs - it is a tradition I quite enjoy.

I note that a number of you are making this a tradition as well. It is a pleasure to see so many familiar faces here again this year.

I suspect the reason you keep coming back has a lot to do with our government's message and, you'll note, year after year that message remains the same.

In the words of Premier Harris:

"Our goals have always been straightforward: to build a climate where jobs and prosperity are available equally 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."

These are the things that we talked about in the Common Sense Revolution; these are the promises we made when we came into government in 1995, and these are the commitments I have delivered on in every Budget since. Tuesday was certainly no exception.

My announcement of an additional 36 tax cuts - bringing to 66 the number of tax reductions in the past three years; the acceleration of both the final phase of the Personal Income Tax Cut and the final phase of the Employer Health Tax Cut to July 1, 1998; our commitment to cut the small business tax rate in half and our growing investments in priority services like health care and education are measures that further deliver on our promises. They are also creating a lot of buzz across Ontario right now - from Main Street to Bay Street.

Of course, every year around this time there is a lot of number crunching and a lot of talk about things like tax rates, economic indicators, GDP growth and deficits. Leading up to, during and following every Budget the media is full of calculations, speculation, and thankfully these days, adulation. Journalists, economists, academics and, of

course critics all join in.

Quite frankly I can't blame them - in the last three years we have given them a lot to talk about. Since 1995 Ontario's economy has consistently performed ahead of the rest of the country. Between February 1997 and February 1998 alone, 265,000 net new private sector jobs were created in Ontario - the largest number of new jobs ever in a 12 month period.

In the first quarter of this year the Ontario economy created jobs at a rate unequaled in 15 years.

Retail sales are up by an additional 10 percent so far in 1998 and consumer confidence has increased for the ninth straight quarter.

In 1997 the Ontario economy expanded by 4.8 percent and private sector forecasters predict growth of another 4 percent in 1998. Over the next three years, the Ontario economy is expected to grow faster than any G7 industrialized nation. All of this while staying on course to balance the budget, as promised in the year 2000-2001. This positive growth has been fueled in large part by our government's commitment to cutting taxes in order to increase confidence, spur economic activity, create jobs, and enhance revenues.

In the wake of Tuesday's Budget the consensus is that the economic momentum created in the last three years will continue to have a positive impact on our economy in terms of future growth, investment and Ontario's balance sheet. But it is the impact that this momentum is having in terms of individuals and families in communities all across Ontario that is, in my view, the most important part of the equation.

Ontario's renewed economic momentum has allowed us to make major new commitments for children and families: child care support for half a million children, and health care that ensures that not only are services available when required today, but that the system is able to respond to the needs of tomorrow.

A commitment to flow additional money into classrooms all across the Province. - funding for textbooks and technology for elementary students. A commitment to assist hundreds of thousands of post secondary students obtain an education - an education

that many would otherwise not receive.

A commitment to provide support for small business, invest in growing and emerging sectors of our economy to keep Ontario competitive into the 21st century and eliminate barriers so that all Ontarians can contribute to, and benefit from a more prosperous Ontario.

A commitment to invest in today and prepare our province for a prosperous tomorrow.

Leading up to this year's Budget I met with literally hundreds of individuals and organizations to discuss the measures we have taken to date, and to consider new ways for our government to effectively deliver on the commitments we made to the people of Ontario. Tuesday's Budget clearly reflected those discussions.

Ontarians told me they want an Ontario where priority services are protected and investments are made to ensure they are able to meet the changing needs of people all around the Province. In Tuesday's Budget I reiterated our government's commitment to protecting and enhancing priority services. Despite the fact that the federal government has dramatically reduced funding for health care, the Ontario government is improving the services that people have now and expanding those they will need in the future. This year's allocation of \$18.5 billion is more than any Ontario government has ever spent on health care.

Our financial commitment to hospital restructuring and improving technology along with additional funding for community based care will mean improved health services and jobs for health care workers. The recently announced increase in senior care beds will lead to the creation of 27,500 nursing, personal care, and other health care jobs and over 42,000 construction jobs.

Ontarians told me they want a province where all children, no matter where they live can take advantage of the opportunities being created. We have continued to invest in children and in families to ensure that they do.

The 30 percent Personal Income Tax Cut assists working families at the modest end of the income scale. In fact, those are the families that are receiving the largest percentage of the benefit from the tax cut. Through enhancements to the Ontario Tax

reduction Plan that I announced on Tuesday 360,000 taxpayers will no longer be required to pay any Ontario tax, 70,000 Ontarians will have their income tax eliminated and a further 290,000 taxpayers will have their income tax reduced in excess of 30 percent.

In addition to these measures, we are providing relief to working families through additional support for child care. Under our plan low and middle income working families would receive a new Ontario Child Care Supplement . This supplement combines the \$40 million Child Care Tax Credit announced in last year's Budget with \$100 million in 1998-99 for an investment of up to \$1,020 for each child under age seven. Next year we will invest more than \$200 million in this important program.

We are encouraging businesses to support working parents with young children by offering a new 30 percent Workplace Child Care Tax Deduction for the capital cost of building or expanding child care facilities, or for contributions to facilities in the community that care for the children of working parents.

Combined, these child care initiatives will assist almost half a million children - triple the number who benefit from current child care funding

You will recall that last year, in addition to tax cuts for working families and child care funding, I spoke to you about increased support for speech and language services for Ontario children, protection for children at risk, and enhancements to enforcement measures against delinquent parents. In this year's Budget we have continued to build on those important initiatives.

Mary McConville, Executive Director of the Ontario Association of Children's Aid Societies, told me during pre-Budget consultations that more child protection staff, increased funding for training of front line workers and revitalized foster care would benefit children and families around the province.

In this Budget we responded by providing \$170 million dollars of additional funding for Children's Aid Societies over the next three years, specifically targetted at these areas.

We are also investing \$10 million into the Healthy Babies, Healthy Children Program in

1998-1999. This funding will be directed to screening all newborns, identifying those at high risk and ensuring they receive community services. The amount will grow to \$50 million annually by the year 2000-2001.

We are directing significant funds to our children's classrooms by providing double the amount of money for textbooks and other learning materials for elementary students - an increase of \$100 million and double the grants to school boards for math and science tutors. We are also investing \$1 billion each year in a separate envelope for Special Needs students and \$130 million over the next two years with private sector partners to strengthen the Internet networking of our education system and promote lifelong learning.

We will build on the federal government's Millennium Fund through the establishment of a new student assistance program designed to meet the needs of Ontario students and to limit student debt. We will do this by combining Ontario's share of the \$1.2 billion 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. This program will address all elements of student assistance.

Not all of our young people receive the same encouragement to stay in school. For these young people opportunity is limited. Rich Richardson who joins us here today knows that all too well.

Rich is a volunteer Director of, and a driving force behind, the High Road Foundation - a very innovative organization that is looking at ways to keep more youth in school.

Rich participated in our pre-budget consultations on behalf of the High Road Foundation because he believes that by working together we can make a real difference in the lives of thousands of youth by encouraging learning today and jobs in the future. We support these goals and, as such, our government committed on Tuesday to funding the Foundation's pilot project to look at ways of keeping more of our young people in school.

Ontarians told me they want jobs for our youth. Preparing today's youth for tomorrow's jobs was an important part of last year's announcement of major investments into

research and development and the high tech sector. In the last 10 years two out of every three new jobs in Ontario have been created in the knowledge and technology based industries. This year's Budget continues to support our initiatives in that growing area.

Following on the successful partnership for a world class Animation, Communications and Design program at Sheridan College, I committed \$10 million this year to four more projects that will enhance strategic skills training at Georgian College, Humber College Conestoga College and at the Canadian Film Centre.

Our government has also allocated \$150 million over the next three years to implement a special Access To Opportunities Program, enabling twice as many students to enroll in computer science and high demand engineering programs. We are asking industry to join us in this initiative by matching start up costs.

We are encouraging innovative uses of the information highway through the extension of the Telecommunications Access Partnerships and investing another \$30 million over the next three years.

In addition to these investments in tomorrow we are taking action to strengthen training in the workplace today by overhauling the apprenticeship program, establishing internships and encouraging on- the- job training. We are asking the federal government to join us in this made in Ontario workplace training and employment plan to direct \$9.5 billion to Ontario's priorities and provide opportunities for 750,000 Ontarians per year.

We will continue to encourage job creation by cutting the small business tax rate in half over the next eight years and enshrining this tax cut in legislation to ensure planning certainty for the small business sector. We will also live up to our commitment to cut above average business property taxes. Provincial business education taxes will be cut by \$500 million from current levels starting with a \$64 million cut this calendar year.

Together, with the private, sector we will keep Ontario competitive now and prepare our province for the 21st century.

Society benefits most when all of its members are given an opportunity to contribute to

and share fully in Ontario's prosperity. That is why we are breaking the cycle of dependency that has trapped too many Ontario families. The reforms we have already made to the welfare system have resulted in a 20 percent decrease in caseloads. Since 1995, more than a quarter of a million people have returned to the workforce and now contribute to their communities.

But while our reforms have helped scores of families province-wide to date, there are still too many families who need help breaking the cycle of dependency; too many who need to be given hope, dignity and opportunity. We are determined to help them.

Through our \$25 million investment in the Learning Earning and Parenting Program for child care subsidies and other supports, single parents on welfare will be given the opportunity to finish school. An additional \$10 million will be invested to assist participants in Ontario Works, with child care.

We are also removing barriers that have been keeping people with disabilities and other Ontarians from achieving their goals and participating in the workforce. We are doing this through the introduction of the Ontarians With Disabilities Act. We are doing this by implementing the Ontario Disability Support Program that aids in removing people with disabilities from the welfare rolls and increasing accessibility to employment, health services, education and training.

On Tuesday we accelerated a tax incentive to support the efforts of businesses to accommodate people with disabilities. This action will assist 10,000 businesses each year in providing access. We also proposed the extension of the retail sales tax rebate for personal use vehicles purchased to transport people with disabilities.

I would like to take a moment introduce you to David Shannon who is an inspiration for all individuals who face barriers in our society. David is a lawyer, and graduate of the London School of Economics. Following an accident in 1981 David has been a paraplegic. That, however, has not stopped him from achieving his goals and, in fact, just last week he was awarded with the "Courage to Come Back Award" for his efforts on behalf of people in wheelchairs across the country.

People like David are helping to remove barriers for Ontarians with special needs every day.

We commend David's courage and we will continue to support this cause.

There are other barriers - many that you cannot see - that inhibit Ontarians from reaching their full potential. You will recall that last year, I announced that Dr. Bette Stephenson had been tasked with the development of a \$30 million program to assist students with learning disabilities make the transition to college and university.

Thanks to the hard work and dedication of Dr. Stephenson, who joins us here today, the Minister of Education will be announcing details very shortly of a program that will involve nine pilot projects and will assist approximately 400 students per year gain access to post secondary education.

Among the institutions selected are York University, the University of Guelph, Cambrian College and an innovative partnership among our three French language colleges.

I cannot say enough about Bette Stephenson's dedication to the young people of our province. Not only during her tenure as Minister of Education but indeed throughout her life. This initiative is no exception. Because of the determination and leadership she has shown in this project she has opened doors for hundreds of tomorrow's leaders - doors that until now were closed on these students.

There are many individuals and organizations across the province that are committed to working towards a better Ontario. Our Budget, and all of the action we have taken to create a strong economy and a dynamic society support their goals.

By cutting taxes and promoting job creation in the private sector, while at the same time tackling the deficit in our province, we are indeed creating the confidence and momentum that will allow Ontario to continue to be a leader in economic growth well into the 21st century..

By investing in our children, in health care and education, and by creating opportunity for everyone equally, we are ensuring that this growth is translated into a better today for families across the province and a more prosperous tomorrow for our children.

In the words of John F. Kennedy

"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 opportunities for our people.”

So ladies and gentlemen, while at Budget time there is a great deal of focus on economics and number crunching, the Budget was in fact, about people. People who want to work hard, raise their families, contribute to their communities and enjoy a quality of life unrivaled anywhere in the world.

We promised an Ontario in which they could do just that and we are delivering on our promise.

Thank you.