

2000-2001  
BUDGET

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Additional

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Information

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on the Budgetary

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Measures

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## Section 2

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## 1. MAJOR INCREASE IN RESOURCES FOR HEALTH AND SOCIAL SERVICES

The ageing of the population, advances in medical technology and faster, more effective treatment methods are exerting pressure on the costs of the health and social services system. To maintain and improve access to and quality of public services, the Québec government is increasing the resources allocated to the health and social services sector by \$2.7 billion for 1999-2000 and 2000-2001.

### INCREASE IN RESOURCES FOR HEALTH AND SOCIAL SERVICES (in millions of dollars)

	1999-2000	2000-2001	Total
More funding for the network:			
<input type="checkbox"/> increase resources of institutions	- 462	- 400	- 862
<input type="checkbox"/> increase resources for salaries and other operating costs	- 112	- 765	- 877
	- 574	- 1 165	- 1 739
Increase and develop services	- 208	- 539	- 747
Sub-total	- 782	- 1 704	- 2 486
Acquisition of new equipment		- 200 <sup>1</sup>	- 200 <sup>1</sup>
<b>Total</b>	<b>- 782</b>	<b>- 1 904</b>	<b>- 2 686</b>

<sup>1</sup> These investments will be financed by debt service. In this regard, \$15 million is provided for in expenditures for 2000-2001.

#### More funding for the network

Network institutions will receive \$862 million to provide adequate funding and maintain balanced budgets.

In addition, \$877 million is being allocated to, among other things, fund increases in salaries and other operating costs. These additional resources include \$30 million to renew the financial exemption program for home help services for one year.

#### Increase and develop services

Additional funding of \$747 million is being allocated to increase public services and develop new ones.

An amount of \$539 million is allocated, in particular, to fund the costs of the prescription drug insurance program, the development of Héma-Québec services, and tracing and compensating victims of hepatitis C.



Furthermore, \$200 million is being allocated to increase and develop services with a view to, among other things, reducing waiting lists, improving access and enhancing services. This includes a recurring amount of \$21 million for services for young people. This amount will be applied in particular for foster families, youth centres and community organizations working in the fields of drug addiction and suicide prevention.

In addition, \$2 million a year will be earmarked for the financial assistance program for holiday camps for needy families and individuals. Lastly, \$10 million a year will be allocated to promote recreation and sports activities, thus promoting a more active lifestyle.

#### **□ Acquisition of new equipment**

Network institutions will receive \$200 million to acquire specialized, high-technology medical equipment, allowing them to treat more patients and improve the quality of care.

#### **□ Review of management methods in the health system**

The major increase in health and social services sector resources is designed to resolve the difficulties the system is facing and should result in a measurable improvement in public services. In this sense, a review of management methods to focus them on achieving results objectives and the implementation of genuine accountability are the essential complement to the additional funding provided by the government. Quebecers must be able to measure the practical impact of their investment as taxpayers. Furthermore, all Quebecers share a legitimate concern that spending not exceed budget envelopes, and that an efficient division of responsibilities in the organization of services be achieved.

The Minister of Health and Social Services will soon announce the details of an action plan involving legislative and administrative measures designed to ensure that institutions maintain balanced budgets, to promote management based on performance and the achievement of results objectives, and to clarify the division of responsibilities between the department and the network.

## 2. ACTIONS FOR YOUNG PEOPLE AND EDUCATION

Additional resources totalling more than \$1.2 billion for fiscal years 1999-2000 and 2000-2001 will be allocated for actions for young people and education. Of this amount, \$920 million will be earmarked for the education networks, while more than \$290 million will be allocated for other actions favouring young people and education.

### ADDITIONAL RESOURCES FOR YOUNG PEOPLE AND EDUCATION (in millions of dollars)

	1999-2000	2000-2001	Total
Additional resources for the education networks			
<input type="checkbox"/> enhance the financial health of the education networks	- 150	—	- 150
<input type="checkbox"/> maintain and improve the quality of education services	—	- 200	- 200
<input type="checkbox"/> increase resources for salaries and other operating costs	- 138	- 432 <sup>1</sup>	- 570
Other additional resources for young people and education:			
<input type="checkbox"/> Youth Fund	- 120	—	- 120
<input type="checkbox"/> support for researchers and research teams	- 120	—	- 120
<input type="checkbox"/> other measures	- 10	- 43	- 53
<b>Total</b>	<b>- 538</b>	<b>- 675</b>	<b>- 1 213</b>

<sup>1</sup> Includes \$11.4 million for the "Agir tôt" academic success program, as well as additional funding of \$0.1 million for planned investments at the Faculté de médecine vétérinaire de Saint-Hyacinthe and \$1.8 million to renovate the Institut de tourisme et d'hôtellerie du Québec (ITHQ).

### 2.1 Promoting quality education

#### 2.1.1 *Enhance the financial health of the education networks*

The 1999-2000 appropriations of the ministère de l'Éducation are raised by \$100 million to help restore the financial situation of universities.

An initial step in this direction was taken in 1998-1999 with an injection of \$170 million after which the universities submitted plans to eliminate operating deficits. Almost all the universities have already presented such plans to the satisfaction of the Minister of Education.

Accordingly, the government is taking a second step to enable the universities to more quickly implement the changes needed without having to bear the entire weight of past deficits. These funds will be distributed in such a way as to avoid penalizing institutions that have already taken corrective measures.

In 1999-2000, \$40 million is being allocated to school boards and \$10 million to CEGEPs to help them remain financially healthy.

### **2.1.2 Additional resources of \$1 billion over three years for the education networks**

Pursuant to the undertakings given by the government at the Sommet du Québec et de la jeunesse, an additional \$1 billion will be invested in education institutions to maintain and improve the quality of education services. In addition, these funds will help support the deployment of the new policy regarding universities and continue the implementation of the education reform.

Consequently, the estimates of the ministère de l'Éducation will be raised by \$200 million in 2000-2001, \$300 million in 2001-2002 and \$500 million as of 2002-2003.

### **2.1.3 Investments in the Faculté de médecine vétérinaire de Saint-Hyacinthe**

Investments are needed in the Faculté de médecine vétérinaire de Saint-Hyacinthe to secure its accreditation with the Council on Education of the American Veterinary Medical Association (AVMA). The Ordre des médecins vétérinaires québécois and international agencies require that a veterinarian hold a diploma from an education institution recognized by the AVMA before authorizing a right to practice.

Accordingly, maintaining the accreditation of the only French-language faculty of veterinarian science in North America is essential for the survival and development of Québec's farm industry.

An investment of \$23.9 million will therefore be made to expand and renovate the institution and acquire advanced equipment, in order to offer quality animal health services that satisfy the requirements of the AVMA.

For this purpose, the ministère de l'Éducation will receive additional funding of \$0.1 million for 2000-2001, \$1.1 million in 2001-2002, \$2.3 million in 2002-2003 and \$2.6 million a year thereafter. These funds will be paid to the Université de Montréal which will carry out this investment.

Furthermore, the resources needed to fund the regular operations of the Faculté de médecine vétérinaire de Saint-Hyacinthe, about \$5 million a year, will be drawn from the amount of \$1 billion over three years allocated to the education networks (section 2.1.2).

### **2.1.4 Renovation of the Institut de tourisme et d'hôtellerie du Québec (ITHQ)**

The Institut de tourisme et d'hôtellerie du Québec (ITHQ) is a leading institution in Québec's education system. Each year, it trains a thousand students for the tourism industry. It is a standard bearer in this very significant field for Québec's economy and it is important that it have the resources to carry out its mission.

The ITHQ has not received a major investment since its construction in 1974. Both the building and its facilities need to be renovated and upgraded to enable the Institute to continue to excel.

Accordingly, the government will invest \$18 million to renovate and upgrade the Institute. Additional funding of \$1.8 million per year will be allocated to the ministère de l'Éducation as of 2000-2001 for this investment.

## **2.2 Promoting initiative**

### **2.2.1 Youth Fund**

To encourage young people to enter the labour market, \$120 million is being earmarked in 1999-2000 to finance the Youth Fund, an initiative spawned by the Sommet du Québec et de la jeunesse.

This amount is in addition to an equivalent sum paid by private partners and will be applied, on a priority basis, to fund initiatives focusing on:

- participation in on-the-job training internships;
- vocational qualification of more young people by intensifying efforts to dissuade them from dropping out of school and supporting young people from disadvantaged communities;
- acquiring a first job;
- support for entrepreneurship among young people;
- support for local and regional projects;
- engaging young people in society and their community;

- employment opportunities for cultural communities, visible minorities and handicapped persons;
- projects stemming from the Sommet du Québec et de la jeunesse on which consensus was achieved and whose financing is to be drawn from the Fund.

### **2.2.2 Joint internship program: government – Fonds de solidarité des travailleurs du Québec (FTQ)**

The 1997-1998 Budget Speech announced that the Québec government and the Fonds de solidarité des travailleurs du Québec (FTQ) had agreed to work together financially to offer students internships involving an educational component in labour organizations, cooperatives, non-profit organizations in the community sector and small businesses in the private sector.

In view of the substantial needs in terms of internships and the necessity of providing work experience that enables young people to successfully enter the labour market, the government and the Fonds de solidarité des travailleurs du Québec (FTQ) will each provide \$10 million in funding in 1999-2000 to finance more internships for students.

Consequently, the appropriations of the ministère de l'Industrie et du Commerce will be increased by \$10 million in 1999-2000.

### **2.2.3 Summer jobs and internships for students**

The creation of summer jobs and internships was one of the main themes raised at the Sommet du Québec et de la jeunesse. To offer young people practical work experience, the Québec government will allocate additional funding of \$11.4 million, over the next year, for the development of internships and the creation of summer jobs for students.

#### **□ Placement of students in government departments and organizations**

The ministère de l'Industrie et du Commerce will receive additional funding of \$5.8 million in 2000-2001 to create summer jobs and internships in the public service. Of this amount, \$1.3 million will be used to bolster the presence of allophones, anglophones and native people.

This measure will make it possible to provide summer jobs or internships for more than 5 500 young people in the public service during the coming year.

### ☐ Internships in private enterprise

The ministère de l'Industrie et du Commerce will receive additional funding of \$5.6 million in 2000-2001 for the Strategic Employment Support Program (SESP). The general purpose of this program is to help make businesses more competitive by incorporating up-to-date knowledge in their fields of endeavour by accepting interns in their organization.

This measure will make it possible to offer internships in private enterprise for almost 5 000 students during the coming year.

### 2.2.4 Assistance and monitoring for young entrepreneurs

Assistance and monitoring adapted to young entrepreneurs significantly increase the survival rate of new businesses.

In the 1999-2000 Budget Speech, the government announced that it would provide funding of \$2 million for local development centres, over two years for measures to support business start-ups by young people and to monitor businesses that have been started up recently.

The monitoring service can take various forms, including an assessment of the business, analyses of its financial situation, and consulting services in marketing and human resources management.

Business assistance measures include:

- mentoring programs designed to match young entrepreneurs with more experienced local entrepreneurs;
- the development of ways to more closely mesh the education and training networks with young businesses.

The existing program will be improved and the estimates of the ministère des Régions increased by \$1 million in 2000-2001 and \$3 million for each of the following two years.

#### ASSISTANCE AND MONITORING OF YOUNG ENTREPRENEURS (in millions of dollars)

	2000-2001	2001-2002	2002-2003	Total
	- 1.0	- 3.0	- 3.0	- 7.0

### **2.2.5 *Renewal of the Fonds de lutte contre la pauvreté***

The Fonds de lutte contre la pauvreté par la réinsertion au travail was created on November 26, 1996 following the Summit Conference on the Economy and Employment. It is designed to assist economically disadvantaged persons to enter the labour market.

The initiative was funded by means of an exceptional contribution of \$250 million over three years shared equally by workers and businesses in Québec.

The Fund is forecast to have a non-committed balance of \$56 million as at March 31, 2000, which will enable it to continue operating until March 31, 2001. To enable the Fund to continue its activities until March 31, 2003, additional estimates of \$104 million over two years will be allocated to the ministère de la Solidarité sociale to finance the Fund, i.e. \$60 million in 2001-2002 and \$44 million in 2002-2003.

### **2.2.6 *Other measures announced by the Minister of State for Education and Youth***

Over the next three years, an additional \$95 million will be set aside for youth assistance measures. For this purpose, \$15 million will be drawn in 2000-2001 from the Contingency Fund and additional estimates of \$30 million in 2001-2002 and \$50 million in 2002-2003 are provided for.

These measures will be announced by the Minister of State for Education and Youth.

## **2.3 Promoting excellence**

### **2.3.1 *Increased financial support for graduate students***

If we want our experts to achieve international calibre and if we want Québec businesses to be able to count on the expertise of highly skilled researchers, students need an adequate level of financial support.

Since 1973, Québec has granted, on a merit basis, scholarships to students pursuing studies at the master's and doctoral levels, as well as post-doctoral internships. These scholarships are administered by the Fonds pour la formation de chercheurs et l'aide à la recherche (FCAR).

The scholarships awarded under the "Programmes de bourses d'études de cycles supérieurs en recherche, de perfectionnement et de réintégration à la recherche du Fonds FCAR" have not been raised in eight years.

To encourage young people to pursue graduate studies and help them persevere until they obtain their diploma, scholarships will be increased as of April 1, 2000. They will rise:

- at the master's level: from \$11 000 to \$15 000 a year, for a maximum of two years;
- at the doctoral level: from \$13 000 to \$20 000 a year, for a maximum of three years;
- at the post-doctoral level: from \$22 000 to \$30 000 a year, for a maximum of two years.

Accordingly, supplementary funding of \$8.1 million a year will be allocated to the ministère de la Recherche, de la Science et de la Technologie as of 2000-2001.

### **2.3.2 Support for researchers and research teams**

Globalization, major projects and concentration of strengths are the watchwords in the field of research. To meet these challenges, Québec must have the resources and equipment to:

- enable the research base in Québec to maintain its level of excellence;
- financially support major opportunities to optimize the performance of the research base, open promising new research avenues and position Québec researchers at the national and international level;
- support Québec researchers competing for funding from external sources, in particular federal programs.

For this purpose, the appropriations of the ministère de la Recherche, de la Science et de la Technologie will be increased by \$120 million in 1999-2000 to enable it to provide an equivalent amount of funding for Valorisation-Recherche Québec for:

- projects of Québec researchers or research teams that correspond to the government's objectives, and submitted as part of initiatives of external organizations, such as the Canada Foundation for Innovation, Canadian Institute for Health Information;
- major research projects corresponding to the government's objectives and requiring substantial financial support that cannot be provided by existing government programs in support of research;
- genomics projects in view of the participation of Québec researchers in the initiatives of Genome Canada.



Financing for the consideration Québec must assume for the projects of Québec researchers or research teams accepted under recent or upcoming federal initiatives will be covered jointly by the sectorial departments concerned, in particular the ministère de l'Éducation and the ministère de la Santé et des Services sociaux, from their multi-year investment plans.

### **2.3.3 Assistance for research funds**

Additional funding of \$40.3 million over three years is being allocated to the ministère de la Recherche, de la Science et de la Technologie to:

- improve the performance and efficiency of the organization of research;
- support subsidized funds in developmental initiatives they have undertaken or plan to implement for the research community and Québec's social and economic development.

The subsidized funds in question are:

- the Fonds pour la formation de chercheurs et l'aide à la recherche (FCAR);
- the Fonds de la recherche en santé du Québec (FRSQ);
- the Conseil québécois de la recherche sociale.

#### **ASSISTANCE FOR RESEARCH FUNDS**

(in millions of dollars)

	2000-2001	2001-2002	2002-2003	Total
	- 5.3	- 14.7	- 20.3	- 40.3

### **2.3.4 Intensification of activities of the Institut de finance mathématique de Montréal**

The ministère des Finances will raise its financial contribution to the Institut de finance mathématique de Montréal to enable it, in particular, to carry out the following activities:

#### **☐ On-the-job internships**

Twelve-month internships in companies wishing to host interns in mathematical finance. The company will receive a refund of half the intern's salary, to a maximum of \$20 000 a year.

**☐ Master's scholarships**

"Merit" scholarships of \$15 000 a year awarded to full-time master's students, renewable for a second year based on the student's results.

**☐ Doctoral scholarships**

"Merit" scholarships of \$20 000 a year awarded to full-time doctoral students, renewable for a second and third year upon the recommendation of the director of the program in which the student is enrolled. An amount of \$10 000 will also be available during the writing of the thesis to help defray the expenses of the research project.

**☐ Grants for young researchers**

Grants of \$30 000 a year for two years, awarded to young researchers on the basis of the quality of their file and the proposed research project. This program will apply to researchers employed by universities in Québec who obtained their doctorate less than five years previously.

**☐ Post-doctoral internships**

One-year internships, in mathematical finance research centres, offered to young researchers.

**☐ Databases**

Students and professors need to have access to specialized databases to facilitate research work, the writing of theses and the application of concepts to real-life situations. The Institute will contribute to the acquisition and maintenance of such specialized databases.

For this purpose, additional funding of \$2 million in 2000-2001 and \$3 million a year thereafter will be allocated to the ministère des Finances.

### **3. INVESTMENTS IN SUPPORT OF ECONOMIC TRANSFORMATION AND EVEN MORE JOB CREATION**

#### **3.1 Increased support for business investment**

##### ***3.1.1 New financing program for small businesses***

###### **□ Application details**

This new loan guarantee program, which will be administered by Investissement-Québec, will have a three-year guarantee envelope of \$150 million, i.e. \$50 million a year, to support the start-up of some 2 000 projects. It is open to new businesses and those in operation for less than three years, with sales of less than \$1 million. The program is intended for projects with realistic profitability prospects and a developmental potential for the regional economy.

The new program offers a loan guarantee covering up to 80% of the losses incurred by a lender. The maximum amount of the guarantee is limited to \$100 000 and the assistance is valid for a period of not more than seven years. The program covers capital expenditures and working capital necessary for the first year of operation of the business. The program also offers the possibility of a moratorium on capital repayment for a maximum of two years.

The promoter must make an initial investment of 20% of the cost of the project. However, up to 50% of this investment may be drawn from local or regional investment or other funds. The usual commitment fees and commissions will be charged to clients and retained by Investissement-Québec.

All sectors of activity are eligible with the exception of business services, retail and wholesale merchants, restaurants and other businesses similar to the retail trade or personal services.

Lastly, the project must result in the creation or maintenance of a minimum of two or three jobs, depending on the amount of the loan, in addition to the promoter and his relatives.

###### **□ Operation**

Financial institutions are the program's point of entry. Investissement-Québec, through its subsidiary Garantie-Québec, will ensure that cases are validated and authorized as quickly as possible. The local development centres (LDCs) and MIC regional offices may be involved in the process sponsor promoters.

Investissement-Québec will periodically provide the LDCs and MIC regional offices with progress reports on the program and the projects that have received support to enable these players to suggest corrective action where necessary to achieve development objectives, identify projects requiring special monitoring, and generally contribute to the success of the program.

In addition, an annual report on the program will be submitted to the Minister of Finance. In particular, this report must specify the number of projects supported, jobs created, investment generated and the volume of guarantees issued.

#### **□ Cost of the program**

The government will fully cover losses that may arise from the loan guarantees provided under this program. For this purpose, a loss provision rate equivalent to 50% of the authorized guarantee envelope has been set. Including the required operating budget, the cost of this measure will total almost \$78 million, with \$25.4 million a year for the 2000-2001 and 2001-2002 fiscal years. The estimates of the ministère des Finances will be increased accordingly.

### ***3.1.2 Increase in the envelope of the PIJCPF program***

The Private Investment and Job Creation Promotion Fund (PIJCPF) received a five-year commitments envelope of \$800 million for the period from 1998-1999 to 2002-2003. This envelope is raised to \$950 million. The increase will make it possible to maintain the annual commitments envelope for 2000-2001 at \$250 million. The rise in the commitments envelope involves an increase in the estimates of the ministère des Finances of \$36 million in 2000-2001 and \$30 million in 2001-2002.

### ***3.1.3 Support for restructuring of assembly activities in high-technology sectors***

The eligibility criteria of the PIJCPF program are being broadened to allow financial support for investment projects of over \$2 million submitted by manufacturing SMEs, sub-contractors or suppliers of products to main contractors, in high technology content sectors in which assembly activities will gradually be transferred to sub-contractors. Among other things, this measure may encourage consolidation of assembly activities in the aerospace sector or modular construction in the automobile sector.

Approved projects must have a developmental effect on the sector and encourage the emergence of medium-size businesses able to meet the new requirements of main contractors. To support business mergers, acquisition costs may be eligible for assistance consisting exclusively of an equity type loan.

A commitments envelope of between \$5 and \$10 million a year will be needed to satisfy these new clients, and will be covered by the commitments envelope already authorized for the PIJCPF program.

### **3.1.4 Montréal Foreign Trade Zone at Mirabel**

In the 1999-2000 Budget Speech, the government announced the creation of the Montréal Foreign Trade Zone at Mirabel to assist companies operating in the sectors of international logistics, aeronautics, supplemental training in the field of aviation, and light processing, to establish themselves at the Mirabel airport site.

#### **☐ Société de développement de la Zone de commerce international de Montréal à Mirabel**

To administer this Zone, the government set up, last October, the Société de développement de la Zone de commerce international de Montréal à Mirabel.

To support the Société de développement, its budget will be increased by \$0.4 million a year in 2000-2001 and 2001-2002, \$0.5 million in 2002-2003 and \$0.6 million for the two subsequent years. Consequently, the estimates of the ministère des Finances will be increased accordingly.

#### **☐ Support for building construction**

The Société de développement expects to provide companies eligible for the program in the Foreign Trade Zone or third parties leasing buildings to such companies, with financial assistance for building construction.

As a result of the examination of investment projects that have been submitted to the ministère des Finances, the budget of the Société de développement allocated to building construction assistance will be increased. Accordingly, the estimates of the ministère des Finances will be raised by \$5 million in 2000-2001, \$10 million in 2001-2002 and \$15 million a year as of 2002-2003.

### ☐ Interim financing of tax credits

In general, tax credits are claimed regarding a given year when the eligible business files its tax return. To enable such businesses to benefit immediately from the tax assistance offered by the government, interim financing of tax credits may be granted, under certain conditions. It will consist of a government loan guarantee on the amount of estimated refundable tax credits. The guaranteed amount will generally represent 75% of the loan extended to the business by a financial institution. In this way, the government wishes to facilitate short-term financing of the activities of businesses eligible for the Foreign Trade Zone program.

For this purpose, the budget of the Société de développement will be increased by \$6 million over five years including \$0.4 million in 2000-2001 and \$0.9 million in 2001-2002. The estimates of the ministère des Finances will be increased accordingly. The Société de développement will provide interim financing of these tax credits. If need be, the financing may be entrusted to Investissement-Québec which already provides interim financing of tax credits for businesses located in information technology development centres and the Cité du multimédia.

### **3.1.5 Financial assistance mechanism for the formation of Québec Business Investment Companies**

The Québec Business Investment Company (QBIC) program, briefly described in sub-section 2.9 of section 1 of this document, is the responsibility of Investissement-Québec.

To encourage the formation of QBICs, particularly in situations in which the shareholders are employees of an eligible start-up corporation, legislative amendments will be made to enable Investissement-Québec to implement a capitalization loan, or capitalization loan guarantee, mechanism for the benefit of a QBIC.

This will make it easier to form a QBIC by funding it on an interim basis, notably by means of a loan guarantee provided by Investissement-Québec to a financial institution. The financing will be secured by subscriptions of shares, which must be issued and paid for within five years, to pay off the guaranteed loan.

Investissement-Québec will soon release the details concerning eligibility for this financial assistance as well as the details of the assistance itself.

These changes will apply to an investment made by a QBIC as of the day after the day of the Budget Speech.

### **3.1.6 Reform of the immigrant investor program**

#### **□ Reform**

Québec's program for immigrants investing in securities allows foreign nationals to obtain permanent residency in return for an investment of \$0.4 million over five years in eligible Québec businesses. The funds are invested through brokers and trust companies.

The immigrant investor program is being reviewed so that small and medium enterprises (SMEs) reap further benefit from the funds transferred to Québec by immigrant investors. For this purpose, a new subsidiary of Investissement-Québec will be formed to manage investments made by immigrant investors. Its responsibilities will include investing funds received and distributing the interest income generated by these investments among the various players concerned, while ensuring that a substantial share of this income is channelled towards SMEs. In addition, at least 50% of this income will be applied to provide Québec SMEs with access to better financial support for their investment projects. The balance will be used in particular to remunerate the intermediaries involved and to cover the administrative and financial expenses of the subsidiary. Furthermore, the new program will make it possible to carry out investments in SMEs much more quickly, regardless of the time required at the federal level to process applications.

Brokers and trust companies will remain partners of the government in this program, in particular for recruiting immigrant candidates and selecting recipient businesses on the basis of the eligibility criteria set for the new program implemented for this purpose.

#### **□ Financial assistance program**

The new program is geared to Québec SMEs with total assets of less than \$35 million. It will cover investment, technological innovation, design innovation, export or new economy projects. Eligible activity sectors will be substantially the same as those for the Garantie PME program administered by Garantie-Québec.

The financial assistance will consist of a non-refundable contribution of up to 15% of a project's costs. These include the expenditures directly relating to the project and may include a portion to improve working capital needed to carry it out. They exclude any restoration of working capital as well as expenditures that give rise to Québec refundable tax credits. Financial assistance may not be less than \$50 000.

All the costs associated with this program will be funded from the interest income generated by the investments of immigrant investors.

### **3.1.7 Financial enhancement of the Science and Technology Skills Improvement Program (STSIP)**

The Québec government introduced the Science and Technology Skills Improvement Program (STSIP) in the 1997-1998 Budget Speech. This program, which is administered by the ministère de l'Industrie et du Commerce, is intended to remedy recruitment problems in the new economy by, in particular, providing financial assistance for training staff when they are hired. In this regard, one component of the program consists in filling specialized staff positions on a short-term basis in industrial sectors experiencing recruitment problems.

In the 1998-1999 Budget Speech, the budget envelope was raised and the program, which was to end in 1999-2000, was extended until fiscal year 2002-2003. The program is very popular with businesses. Since its creation, 68 financial assistance agreements have been signed representing 5 672 new jobs over a period extending from 1997-1998 to 2001-2002.

Currently, including previously authorized projects, almost all the estimates for 2000-2001 are committed, as is already part of the estimates for 2001-2002. In addition, close to 30 business projects, potentially representing about 1 500 new jobs, have been submitted under the STSIP and are currently awaiting funding.

To provide funding for a portion of the training costs associated with these new jobs, additional estimates of \$5 million a year, as of 2000-2001, will be allocated to the ministère de l'Industrie et du Commerce.

## **3.2 Development of e-commerce and the new economy**

### **3.2.1 Support for connecting families to the Internet**

A growing number of Quebecers have access to the Internet. However, the proportion of Québec households with Internet access is below the Canadian average. To ensure that as many Quebecers as possible can enjoy the benefits of new technologies, a program to promote Internet access for Québec families is being introduced.



### **☐ Eligible families**

The program is geared to families. Accordingly, it targets households who receive a family allowance from the Régie des rentes du Québec. Government assistance will be provided for two kinds of packages:

- a service contract including Internet access and a personal computer;
- an Internet access package.

### **☐ Assistance provided**

Eligible families will be entitled to assistance equal 75% of the cost of either package. The maximum subsidy for the package including a computer and Internet access will be \$450 a year. The annual assistance for the package including Internet access alone will be \$200.

The government subsidy will be paid for two years as of the date of the subscription.

### **☐ Payment of assistance**

The assistance will be paid to households as a monthly rebate provided by the suppliers against the total cost of the package.

The government will reimburse suppliers for the cost of the rebate on a monthly basis.

### **☐ Choice of suppliers**

To benefit from the program, families must reach an agreement with an Internet access supplier certified by the government. In order to be accredited, suppliers must satisfy certain criteria, in particular in terms of the price and quality of the packages offered.

If the package includes a computer, it must become the property of the subscriber, free of charge, at the end of the subscription contract.

### **☐ Administration**

The ministère de l'Industrie et du Commerce will be responsible for administering this program. As such, it will, in particular, have to certify Internet service providers, receive their claims for reimbursement, apply standard controls and authorize payments.

### □ Length and cost of the program

The program will start on May 1, 2000 and families will have until March 31, 2001 to conclude an agreement with a certified Internet service provider.

#### **SUPPORT FOR CONNECTING FAMILIES TO THE INTERNET**

(in millions of dollars)

	2000-2001	2001-2002	2002-2003	Total
	- 28.0	- 60.0	- 32.0	- 120.0

A provision will be created to fund this program. An amount of \$120 million will be provided, including \$28 million in 2000-2001 and \$60 million in 2001-2002. The estimates of the ministère des Finances will be adjusted accordingly. In addition, the ministère de l'Industrie et du Commerce will receive additional estimates of \$0.5 million a year to administer this program.

### **3.2.2 Improved services for businesses in the new economy**

#### □ Results of fiscal measures for businesses in the new economy

In recent years, fiscal measures have been implemented in Québec to support the development of businesses in the new economy, in particular in the multimedia sector and new information and communications technology.

#### **SPECIFIC FISCAL MEASURES FOR THE NEW ECONOMY**

Measure	Designated location	Announced
Tax credit for the production of multimedia titles	All of Québec	March 1996
CDTI <sup>1</sup>	Montréal, Québec City, Hull, Laval, Sherbrooke	March 1997
Cité du multimédia	Montréal	June 1998
CNNTQ <sup>2</sup>	Québec City	March 1999
CNE <sup>3</sup>	All regions of Québec	March 1999

1 Centre de développement des technologies de l'information, or information technology development centre.

2 The Centre national des nouvelles technologies de Québec (CNNTQ).

3 Carrefours de la nouvelle économie, or new economy centres (CNE), will be established in every region of Québec without a CDTI.

These generous incentive measures offer a refundable tax credit on wages and certain other benefits.

### TAX RELIEF OFFERED IN THE CITÉ DU MULTIMÉDIA, CDTIs, CNEs AND THE CNNTQ

Program	Nature of assistance	Length
Cité du multimédia, CDTI, CNE and CNNTQ	• Refundable tax credit of 40% of wages paid to eligible employees (maximum \$15 000/job)	Until December 31, 2010
	• Personal income tax holiday for foreign specialists <sup>1</sup>	5 years
Additional assistance for CDTIs	• Exemption from corporate income tax, tax on capital and employer contributions to the Health Services Fund	5 years
	• Refundable tax credit of 40% on eligible specialized equipment	3 years

1 Up to now, the personal income tax holiday for foreign specialists applied only to the CDTI measure. This Budget Speech extends the measure to the Cité du multimédia, CNEs and the CNNTQ.

Results to date show that the existing measures are very popular, with 173 businesses already using them. For instance, while the objective set for the Cité du multimédia was 10 000 jobs created in ten years, it is well on its way to achieving over 75% of this objective less than two years after its creation.

### SPECIFIC FISCAL MEASURES FOR THE NEW ECONOMY RESULTS, FEBRUARY 2000

Program	Certified businesses	Jobs created <sup>1</sup>
Cité du multimédia <sup>2</sup>	72	7 591
CDTI	17	890
CNE	1	100
CNNTQ	10	388
Tax credit for the production of multimedia titles	73	746
<b>Total</b>	<b>173</b>	<b>9 715</b>

1 Estimate of the number of jobs already created and to be created over the next three years for CDTIs and the Cité du multimédia. Estimate of jobs created or sustained in 1999 for the tax credit for the production of multimedia titles.

2 Including the CDTI de Montréal.

Source: Ministère des Finances and Société de développement des entreprises culturelles.

Furthermore, the CNE measure, which was introduced less than a year ago, is experiencing particularly strong growth. Currently, the formation of 28 CNEs has already been announced in ten regions in Québec and 16 other CNEs are in the process of being designated.

**DISTRIBUTION THROUGHOUT QUÉBEC OF ALREADY DESIGNATED NEW ECONOMY CENTRES, FEBRUARY 2000**

<b>Region</b>	<b>Number of CNEs</b>
Bas-Saint-Laurent	4
Saguenay–Lac-Saint-Jean	2
Abitibi-Témiscamingue	2
Côte-Nord	—
Nord-du-Québec	—
Gaspésie–Îles-de-la-Madeleine	2
Mauricie	2
Chaudière-Appalaches	3
Centre-du-Québec	1
Lanaudière	3
Laurentides	2
Montérégie	7
<b>Total</b>	<b>28</b>

**□ Bureau de développement de la nouvelle économie (BDNE)**

To coordinate the administration of all the tax relief measures available to businesses and ensure that applications are efficiently processed, the formation of a one-stop centre, namely the Bureau de développement de la nouvelle économie (BDNE), was announced in the 1999-2000 Budget Speech.

Since the fiscal measures supporting the new economy have been very successful with businesses, the BDNE should have additional resources to study submissions, issue certificates and support businesses in the process of investing.

**□ Business associations in the multimedia sector**

Once they have begun operating, new multimedia businesses have other needs. Like all businesses in the pre-start-up or start-up phase, some need advice and support regarding commercialization, obtaining venture capital, training, promotion activities, competitive intelligence and liaison with other players. For the most part, these services are offered by various business associations in the multimedia sector.

Some associations, in particular the Association des producteurs multimédia du Québec (APMQ), the Forum des inforoutes et du multimédia (FIM) and the Centre d'expertise et des services en application multimédia (CESAM) have expressed a willingness to consolidate to better support multimedia businesses and offer them new services that are better adapted to their needs. In this regard, a combination of these organizations could allow them to consolidate the strengths of the various players and would improve coordination of the efforts of each one.

#### **□ Improved assistance for businesses**

To sustain the development of businesses in the multimedia sector, the budget of the BDNE will be increased to strengthen its role regarding the administration of the fiscal measures under its responsibility. In addition, a budget will be provided to sustain the activities of multimedia associations that wish to combine to provide businesses in this sector with all the services they need to grow, and support certain specific projects proposed by players in the industry.

For this purpose, additional funding of \$5 million a year will be allocated to the ministère des Finances as of 2000-2001.

### **3.2.3 Promotion and support for SMEs regarding e-commerce**

The Budget Speech announces the introduction of a tax credit for the incorporation of e-commerce solutions in Québec SMEs. The tax credit will be available for two years. Businesses will accordingly have to move quickly to benefit from this tax assistance.

To ensure that businesses are well-informed about the challenges and opportunities of e-commerce as well as the tax assistance available to support its development, the information network and expertise of regional stakeholders of the ministère de l'Industrie et du Commerce (MIC) will be brought into play.

For this purpose, the MIC will implement an action plan to advise and support SMEs seeking to incorporate e-commerce solutions. This action plan will, in particular, include activities geared to SMEs to promote e-commerce and provide information on the tax measure. To do so, additional funding of \$0.5 million for each of fiscal years 2000-2001 and 2001-2002 will be allocated to the ministère de l'Industrie et du Commerce.

### **3.2.4 More funding for the development of the information highway**

Electronic access to information concerning the supply of government services and their delivery is an important objective for the government. In this regard, government departments and organizations began many years ago to modernize the supply of services, especially since the introduction of the Politique québécoise de l'autoroute de l'information in 1998. Additional funds will be allocated to bolster this massive project. They will be applied to:

- support initiatives of government departments and organizations wishing to further integrate their services and pool their skills and resources;
- implement the security infrastructures required by the use of new information technologies, to provide the security and confidentiality individuals and businesses need to carry out transactions with the government.

Concerning the information highway, since 1994, the Québec government has contributed to the development of a portion of Québec's technology infrastructure, as well as the growth of content reflecting our culture and values. These initiatives, totalling some \$80 million of public funds, were carried out by institutional, public and private partners. These projects have achieved their objectives, and many have even earned national and prestigious recognition. Such achievements have propelled Québec to the forefront of French-language services on the information highway.

The Québec government intends to continue its efforts to bolster Québec's presence in the new economy. For this purpose, additional resources will be allocated in support of three major areas of development:

- accelerate the deployment of initiatives with a significant multiplier effect in various economic sectors, in view of the explosive growth of electronic transactions;
- encourage the undertaking of information highway projects that support the development of our identity in terms of education, culture and language, but which fail to satisfy strict economic profitability criteria;
- invest in projects allowing Québec to remain at the forefront of new trends related to information and communications technologies, allowing it in particular, by means of new networking initiatives, to remain the most on-line francophone society in the world.

To support all these initiatives, relating to the Québec information highway network, additional funding of \$15 million a year will be allocated to the Conseil du trésor for 2000-2001, 2001-2002 and 2002-2003.

### **3.3 Infrastructure modernization**

#### **3.3.1 *Support for improvement and repairs to public infrastructures***

An additional \$290 million will be earmarked for the development and maintenance of public infrastructures in Québec. The various types of infrastructures and facilities that may be funded in this way include those relating to waterworks, sewage treatment, recreation and culture, as well as roads and other transportation facilities. Environmental infrastructures will also be eligible.

The overall envelope of \$290 million includes \$175 million specifically set aside for municipal infrastructures and facilities. It includes \$25 million for environmental initiatives. Lastly, \$90 million will be allocated to partnership projects in the transportation field.

The 1999-2000 appropriations of the departments concerned, namely the ministère des Affaires municipales et de la Métropole, the ministère de l'Environnement and the ministère des Transports, will be adjusted accordingly.

#### **3.3.2 *Montréal – Mont-Saint-Hilaire commuter train***

The ministère des Transports will receive funding of \$5 million in 2000-2001 to carry out the Montréal – Mont-Saint-Hilaire commuter train project.

## **4. REGIONAL DEVELOPMENT**

### **4.1 Support for the development of rural areas**

As promised, the government will be tabling the Québec Rural Policy in 2000, indicating at the same time how the policy will be financed.

Since 1997-1998, the Québec government has implemented a number of specific measures to financially support the development of rural areas. These measures, which build on the "Villages prospères" report released at the 1996 Summit on the Economy and Employment, are aimed at stimulating rural development by providing technical and financial assistance to local communities that wish to take charge of their own development.

Until the rural policy is tabled, a number of rural development support measures already in place will be renewed for a period of three years, namely, the program for rural officers, the traditional farm products support program, and support for Solidarité rurale du Québec.

#### ***4.1.1 Increased financing for rural officers***

Rural officers are virtually development officers. They enable the Québec government to work in partnership with rural communities in carrying out various types of activities, enhancing knowledge, defining strategies, supporting promoters, and promoting and diversifying local and rural economies.

In 1999-2000, a total budget of \$1 million was allocated to rural officers. The present Budget doubles that amount by earmarking \$2 million per year for this measure. The appropriations of the ministère des Régions will be adjusted by the same amount as of 2000-2001. This money will make it possible to maintain the 53 officers already in place as well as set up officers in other rural regions in Québec. A portion of the sums will be earmarked for officer training.

#### ***4.1.2 Support for the development of traditional farm products***

In keeping with the commitments made at the Québec Agriculture and Agri-food Conference held in March 1998, the government introduced a program to support the development of traditional Québec farm products.

The purpose of this measure is to provide financial assistance in the product research, product development, manufacture and marketing phases to promoters who develop local and regional agri-food and agri-forest products.



Total assistance in the amount of \$1.8 million over three years, including \$0.6 million a year as of 2000-2001, is being allocated to renew this measure. The appropriations of the ministère des Régions will be adjusted by an equivalent amount.

### **4.1.3 Financing of Solidarité rurale du Québec**

Solidarité rurale du Québec has been the official Québec government advisory body on rural issues since 1997-1998. Its mandate will be renewed for another three years, and defined by the ministère des Régions. The Department's budget will be increased by \$0.4 million annually beginning in 2000-2001.

## **4.2 Support for regional and local economies**

### **4.2.1 Support for the revitalization of employment in the Gaspésie—Îles-de-la-Madeleine region**

On November 19, 1999, the Québec government announced a series of measures to stimulate job creation and economic recovery in the Gaspésie—Îles-de-la-Madeleine region. This recovery plan, which will inject \$23 million into the regional economy, has two focuses:

- to carry out projects that will create jobs in the short term;
- to diversify the region's economic base through the creation of the Gaspésie—Îles-de-la-Madeleine Economy Diversification Fund.

Further efforts are needed to help this region overcome the difficulties currently facing it and increase the opportunities for medium-term economic growth.

### □ Increased investment in the Gaspésie—Îles-de-la-Madeleine region

Some \$26 million more will be invested in the Gaspésie—Îles-de-la-Madeleine region in 2000-2001.

#### INCREASED INVESTMENT IN THE GASPÉSIE— ÎLES-DE-LA-MADELEINE REGION IN 2000-2001

Department	Investments (in millions of dollars)	Jobs created
Transports	9.1	149
Ressources naturelles	4.8	245
Société de la Faune et des Parcs du Québec (FAPAQ)	3.7	248
Affaires municipales et Métropole	0.8	n.a.
Agriculture, Pêcheries et Alimentation	2.2	70
Tourisme	0.3	26
Société d'habitation du Québec	0.2	30
Société des établissements de plein air du Québec (SÉPAQ)	4.8	65
<b>Total</b>	<b>25.9</b>	<b>833</b>

These funds will create 833 new jobs over the next year.

To this end, additional funding of \$14.6 million will be allocated to the ministère des Régions, which will distribute the necessary sums to the government departments and agencies concerned.

#### SUPPORT FOR THE REVITALIZATION OF EMPLOYMENT IN THE GASPÉSIE— ÎLES-DE-LA-MADELEINE REGION (in millions of dollars)

	2000-2001	2001-2002	2002-2003	Total
	- 12.4	- 1.1	- 1.1	- 14.6

The following eight departments and agencies will be involved in the projects related to this measure:

- the ministère des Transports du Québec will carry out \$9.1 million worth of work in 2000-2001 to improve road safety in several of the region's municipalities;
- the ministère des Ressources naturelles will spend \$4.8 million in 2000-2001 to create jobs in the forest sector (\$4 million) and enrich the wind energy resource evaluation program (\$0.8 million);

- the Société de la Faune et des Parcs du Québec (FAPAQ) will invest \$3.7 million in 2000-2001 in the development and enhancement of regional infrastructures;
- the ministère des Affaires municipales et de la Métropole will allocate \$0.8 million in 2000-2001 for the construction of a sludge treatment facility on the Magdalen Islands;
- the ministère de l'Agriculture, des Pêcheries et de l'Alimentation will spend \$2.2 million in 2000-2001 on the recovery and development of shellfish areas in the southern Gaspésie;
- the ministère du Tourisme will invest \$0.3 million in 2000-2001 to expand and groom trails;
- the Société d'habitation du Québec will carry out \$0.2 million worth of renovation in Grande-Vallée in 2000-2001;
- the Société des établissements de plein air du Québec (SÉPAQ) will invest \$4.8 million in 2000-2001 in the renovation of the Auberge Fort-Prével resort as well as various developments in the Parc de l'Île Bonaventure et du Rocher Percé, Gîte du Mont Albert, Parc de la Gaspésie and Parc de Miguasha parks.

#### **4.2.2 Investments in parks, wildlife sanctuaries and recreational and tourist establishments**

The Société des établissements de plein air du Québec (SÉPAQ) manages some 50 establishments throughout Québec. It will be implementing an investment plan to improve accommodation, service and access infrastructures for the sites and territories for which it is responsible. This plan will help generate employment in the regions.

An additional \$16 million will be allocated to the investment program announced last year to create a system of parks in Québec with the same calibre facilities as other national park systems.

Where recreational and tourist establishments and wildlife sanctuaries are concerned, SÉPAQ will invest \$14 million to accelerate the consolidation of infrastructures, accommodation and services. These sums will help maintain and improve the quality of the tourism supply in these territories in order to better meet user needs and expectations.

A total of \$30 million will be injected over three years, including \$4.8 million in the Gaspésie region in 2000-2001.

The budget of the Société de la Faune et des Parcs du Québec (FAPAQ) will be increased by \$17.8 million in 2000-2001 and \$11.3 million in 2001-2002.

### **4.2.3 Support for the Inno-Centre-Région project**

In the past few years, the Québec government has demonstrated its commitment to creating a context that will foster the emergence of technology and new economy firms. Various venture capital and business financing studies show that, despite the amount of funding available, new technology firms do not get enough management support.

Inno-Centre is a non-profit business support agency that has been highly successful in sponsoring new technology firms. In addition to providing these firms with quick access to capital through previously approved financing agreements, Inno-Centre provides entrepreneurs with expertise in a wide range of fields as well as access to a vast business network. It thereby fosters the promotion of promising technology-oriented projects by assisting start-up businesses during the pre-commercialization stages.

The Inno-Centre-Région pilot project consists in introducing this business support concept in two specific administrative regions, Abitibi-Témiscamingue and Saguenay—Lac-Saint-Jean.

In order to give these regions access to these designated services and enable them to promote their technologies at the local level, the government intends to support this initiative and contribute \$1.6 million over three years. The budget of the ministère de la Recherche, de la Science et de la Technologie will be increased accordingly, by \$0.6 million in 2000-2001 and 2001-2002 and \$0.4 million in 2002-2003.

### **4.2.4 Increased flexibility for the Garantie PME program**

#### **□ New procedures**

Garantie-Québec, a subsidiary of Investissement-Québec, administers the Garantie PME program, which mainly offers loan guarantees for small and medium-size enterprises (SMEs).

The program will be changed to allow financing for growth working capital for fast-growing medium-size businesses. In addition, the aquaculture, mariculture, marine biotechnology sectors and horticultural specialties of the agricultural sector will also be eligible.

For investment, strategic alliance and consolidation projects, the guarantee rate will be raised from 60% to 70%. This new rate will also apply to growth working capital financing. It will remain at 75% for certain designated regions, i.e. Bas-Saint-Laurent, Saguenay—Lac-Saint-Jean, Outaouais (Alymer, Hull and Gatineau), Abitibi-Témiscamingue, Côte-Nord, Nord-du-Québec and Gaspésie—Îles-de-la-Madeleine.

The coverage rate for a guaranteed loan will rise from 75% to 100% of eligible investments for expansion projects. The investment previously required may henceforth be used to fund working capital needs and cost overruns that are a frequent occurrence in this type of project. Even though the loan can cover all eligible expenditures, the guarantee rate applicable to such loan is limited to a maximum of 70% or 75% depending on the region.

Financing of tax credits will also be broadened and coordinated with the government's fiscal policy. Apart from tax credits for research and development, Garantie-Québec may finance tax credits relating to the new economy sector and those applicable to shipbuilding.

#### **□ Financial impact**

The additional commitments that will be made under the new provisions of the program are estimated at \$50 million a year. According to the existing financing terms and conditions of the subsidiary of Investissement-Québec, the government assumes a portion of the losses of the Garantie PME program. Its contribution is set at 7% of commitments authorized each year.

Consequently, the appropriations allocated to Investissement-Québec will be raised by \$3.5 million a year as of fiscal year 2000-2001.

### **4.2.5 Extension of the gas network**

The expansion of Québec's gas network over the past twenty years has helped bolster the economy of several regions thanks to the installation of transportation and distribution systems.

Although natural gas is available in the major regions of Québec, the service is still not efficient everywhere. The distances involved and the investments required to make the network profitable do not meet the Régie de l'énergie criteria for allowing network extension projects while being able to maintain a fixed rate for all customers.

To rectify this situation, the government plans on contributing to the financing of projects aimed at hooking up regions that do not yet have access to natural gas.

#### **□ Eligible projects**

Eligible projects should generate investments in excess of \$150 million and generate some 2 400 jobs.

The targeted projects will:

- make natural gas available to businesses in industrial parks not yet hooked up to the Québec network, in the Québec, Abitibi-Témiscamingue, Montérégie, Estrie, Saguenay—Lac-Saint-Jean, Mauricie and Laurentides regions;
- hook up agricultural enterprises in the Saint-Hyacinthe, Bécancour and Beauce regions that are liable to switch to gas.

#### **Government contribution**

Additional funding of \$25 million over three years will be allocated to the ministère des Ressources naturelles to finance the government's contribution to the extension of Québec's gas network.

#### **EXTENSION OF THE GAS NETWORK**

(in millions of dollars)

	2000-2001	2001-2002	2002-2003	Total
	– 5.0	– 8.0	– 12.0	-25.0

### **4.2.6 Support for local communities**

The mission of the local development centres (LDCs) is to encourage all local stakeholders to join forces to promote economic and employment development in the territories under their authority.

#### **Bolstering of the response capability of the local development centres in less affluent areas of Greater Montréal**

LDCs in less affluent regions do not have sufficient budgets to carry out all the responsibilities entrusted to them. The 1999-2000 Budget Speech increased the budget of the ministère des Régions by \$3.9 million annually for the purpose of funding the LDCs in less affluent regions under its authority.

This measure did not cover the LDCs in the Greater Montréal area, as they were not all in place yet. The 2000-2001 Budget is therefore providing further financial assistance for the nine LDCs in the less affluent areas of the Montréal and Laval regions.

Consequently, these nine LDCs will receive an additional \$1.1 million a year beginning in 2000-2001 to help them support economic and employment development within their territories. The appropriations of the ministère des Affaires municipales et de la Métropole will be increased by an equivalent amount.

### □ Additional funding for LDCs outside metropolitan areas with over 100 000 inhabitants

Some LDCs located outside central metropolitan areas serve a population of over 100 000. These LDCs are under-financed in relation to the size of the population they serve. With a view to bolstering their response capability, the government contribution to their integrated envelope will be increased by \$1 million in 2000-2001 and \$1.1 million as of 2001-2002. The sums allocated to the ministère des Régions will be increased by an equivalent amount.

The LDCs serving a large enough population to be eligible for this assistance are the Centre local de développement du Fjord-du-Saguenay, the Centre local de développement de Francheville and the Centre local de développement de Sherbrooke.

#### **4.2.7 Development of the social economy**

The Québec government will provide additional funding of \$3 million a year over the next three years for the development of the social economy.

Accordingly, the budget of the ministère des Régions will be increased by \$2 million per year for the next three years to promote the sustainability of social economy businesses. A portion of these funds will be transferred by the Department to the ministère des Affaires municipales et de la Métropole to support businesses in the Greater Montréal area.

Additional appropriations of \$1 million per year for the next three years will be allocated to the ministère de l'Industrie et du Commerce to support sectoral consolidation in the social economy sector.

#### **DEVELOPMENT OF THE SOCIAL ECONOMY**

(in millions of dollars)

	2000-2001	2001-2002	2002-2003	Total
Ministère des Régions	-2.0	-2.0	-2.0	-6.0
Ministère de l'Industrie et du Commerce	-1.0	-1.0	-1.0	-3.0
<b>Total</b>	<b>-3.0</b>	<b>- 3.0</b>	<b>- 3.0</b>	<b>- 9.0</b>

### **4.2.8 Support for the economic restructuring of the RCM of Bas-Richelieu**

The regional county municipality (RCM) of Bas-Richelieu is currently going through a particularly hard social and economic period. During the 1980s and 1990s, a number of plants in Sorel-Tracy were either closed or restructured, eliminating many jobs. This trend has continued in recent months.

In light of the problems facing Sorel-Tracy, a number of local stakeholders have submitted proposals that include projects designed to kick-start the regional economy. The proposals are promising, and the related projects will be announced within the coming months.

Additional funding of \$7 million a year over three years will be allocated as of 2000-2001 for this purpose.

### **4.3. Assistance for regional economic diversification**

The regional economy diversification funds are intended to provide financial assistance for public and private-sector initiatives aimed at improving the local business environment and supporting activities upstream of business investment projects. Their goal is to foster economic diversification in the region concerned and create permanent jobs.

#### **4.3.1 Contributing to regional economic diversification**

The amount of \$50 million will be allocated to the ministère des Régions in 1999-2000 for fostering economic diversification in Québec's regions in the value-added production of goods and services and the new economy sectors with a view to developing the regions' economies in the medium-term and creating permanent jobs. This will be achieved through:

- one-time assistance for public and private-sector initiatives aimed at improving the regional business environment in the Bas-Saint-Laurent, Saguenay—Lac-Saint-Jean, Mauricie, Estrie, Abitibi-Témiscamingue, Côte-Nord, Nord-du-Québec, Chaudière-Appalaches, Lanaudière, Laurentides, Montérégie and Centre-du-Québec regions;
- support for activities upstream of business investment projects targeting these regions.



### **4.3.2 Québec Capital Economy Diversification Fund**

The 1998-1999 Budget announced the creation of the Québec Capital Economy Diversification Fund to support initiatives that would accelerate the development and diversification of the Québec City region's economic base and thereby create jobs.

Eligible and priority sectors are those identified in the Capitale nationale policy and, more specifically, the economic diversification strategy released on June 29, 1999.

The Québec Capital Economy Diversification Fund will receive additional funding in the amount of \$15 million over three years, at the rate of \$5 million a year from 2000-2001 to 2002-2003. The appropriations of the ministère de l'Environnement will be adjusted accordingly.

### **4.3.3 Greater Montréal Development Fund**

Since its creation in 1996, the Greater Montréal Development Fund has provided financial support for initiatives designed to spur the economic, cultural and social development of the Greater Montréal area.

A number of the initiatives supported in recent years have had a structuring effect and should be continued. Consequently, the future financing of Montréal International, entrepreneurship support agencies, multimedia and electronic services can no longer be adequately assumed by the Greater Montréal Development Fund without comprising other projects having the same structuring effect.

The appropriations of the Greater Montréal Development Fund will therefore be raised by \$4 million a year over three years to enable it to support projects that are crucial to Greater Montréal's economic development. For this purpose, the budget of the ministère des Affaires municipales et de la Métropole will be adjusted by an equivalent amount from 2000-2001 to 2002-2003.

## **4.4 Natural resource exploitation**

### **4.4.1 Assistance measures for the modernization of the pulp and paper industry**

In recent years, Québec's pulp and paper industry has experienced difficulties which have dimmed the outlook for some mills. The reconstruction and consolidation trend in North America is threatening jobs in many regions of Québec.

To help modernize the least competitive facilities, the appropriations of the ministère des Ressources naturelles will be increased by \$100 million for fiscal year 1999-2000 to enable it to provide a grant to Innovation-Papier (INNO-PAP), an organization working to support the development of the pulp and paper industry.

INNO-PAP will receive funds for the purpose of:

- modernizing Québec's least productive mills;
- helping to maintain jobs in the regions.

Furthermore, the Private Investment and Job Creation Promotion Fund (PIJCPF) program will be changed to provide paper companies with access to additional assistance, when that proves necessary, consisting of a loan guarantee, loan or monetary contribution. In the latter case, repayment mechanisms will be specified to enable the government to recover all or some of the funds provided.

#### ***4.4.2 Support for the development of the mining industry***

Mining is a mainstay of the economy in various regions of Québec, notably Abitibi-Témiscamingue. The renewal of mineral reserves is therefore crucial to the sustainability of mining operations and mining-related jobs.

Consequently, an additional \$10 million in appropriations will be allocated to the ministère des Ressources naturelles in 2000-2001 for the purpose of establishing a support program for distressed junior exploration companies and enriching the mining exploration assistance program with a component specifically targeting the Abitibi Subprovince geological region.

##### **□ Support program for distressed junior exploration companies**

In order to support the exploration activities of junior companies that both have a history of discovering economically valuable deposits and own promising mining properties, the government is creating a support program with a budget of \$5 million for fiscal year 2000-2001.

To be eligible for the program, businesses must be run by a parent company headquartered in Québec, have less than \$0.5 million in liquid assets and have carried out a minimum of \$0.5 million worth of off-site exploration work in Québec since 1998.

Eligible businesses will be entitled to maximum financial assistance of \$0.5 million, including:

- a contribution equal to three times the business's contribution toward working capital, up to \$150 000;
- a contribution of up to \$350 000 toward exploration work carried out in Québec during the fiscal year 2000-2001:
  - 75% of this financial assistance must be repaid within three years according to set terms.

#### **□ Inclusion of a component targeting the Abitibi Subprovince geological region in the mining exploration assistance program**

The government is adding a new component to the mining exploration assistance program for the specific purpose of supporting mining exploration in the Abitibi Subprovince geological region. The component will have a budget of \$5 million for the fiscal year 2000-2001.

All mining companies operating in this region, except those that are eligible for funding under the support program for distressed junior exploration companies, will be eligible for assistance under this new component.

Eligible companies will be entitled to financial assistance equal to 25-50% of the cost of prospecting and exploration work, up to \$0.5 million per project. Eligible work includes, among others:

- exploration of surface mineral substances;
- drift digging for mineral exploration, and additional drilling;
- 3-D metallogenic modelling.

These two measures will generate over \$40 million in mineral exploration spending in Québec. This will contribute to the renewal of mineral reserves liable to be mined in the medium term and support the development of mining operations, especially in the Abitibi-Témiscamingue region.

#### **4.4.3 Job creation program for the forest sector**

Labour force development in relation to forest management is a concern for the entire forest industry. The industry is short hundreds of workers who are qualified to perform the silvicultural treatments needed to improve Québec's public and private forests.

Additional funding in the amount of \$12 million will be allocated to the ministère des Ressources naturelles in 1999-2000 to enable it to continue its efforts to train workers and create jobs in the forest sector.

#### ***4.4.4 Support for the development of the forest products industry***

The government will continue its efforts to enable the forest products industry to create new jobs. Additional appropriations of \$6.7 million will be granted to the ministère des Ressources naturelles in 1999-2000 to foster technological development, the creation of industrial projects and the promotion of wood products on world markets.

#### ***4.4.5 Participation of regional interests in mining exploration***

In order to involve regional interests in mining exploration, the government intends to continue contributing to the regional mining and Native mining funds. To this end, the sum of \$6 million will be allocated to the Native entrepreneur development program and the Québec mining exploration assistance program.

The appropriations of the ministère des Ressources naturelles will be increased by \$4 million in 1999-2000 and \$1 million per year in 2000-2001 and 2001-2002.

#### ***4.4.6 Agence de l'efficacité énergétique***

In the area of energy efficiency, the government intends to maintain its program for enabling low-income households to save between 5% and 10% on their power bill. It will also continue supporting local awareness and R&D initiatives, as well as initiatives that boost Québec's energy efficiency sector. This Budget Speech is therefore setting aside \$6 million for 1999-2000 for these purposes. The appropriations of the ministère des Ressources naturelles will be adjusted accordingly.

#### ***4.4.7 Geographic information infrastructure***

Geographic information is a key part of any investment project. The present measure targets the updating of Québec's geographical reference maps and the acquisition of a customer service infrastructure. Additional appropriations in the amount of \$4 million in 2000-2001 and 2001-2002 will be allocated to the ministère des Régions for these activities.

## **5. INCREASED SUPPORT FOR CULTURAL DEVELOPMENT**

### **5.1 Support for artistic and cultural development**

#### **5.1.1 *Financial assistance for artistic development in Québec***

Québec's artistic and cultural effervescence, renowned both here and abroad, testifies to the vitality of a society that takes pleasure in contributing to global cultural diversity. In the area of culture and communications, as in other fields of economic activity, research and development are essential.

For this reason, the Québec government is reaffirming its will to support creation in the various disciplines of literature and the arts, and to foster the development of promising young artists.

The Québec government must also promote the development of its prestigious network of museological institutions located in Greater Montréal and Québec City, as well as in other regions of Québec. These establishments enable citizens of all ages to discover and appreciate their heritage, in addition to being a vital asset to the expansion of our tourism industry. However, the exhibitions that make up the bulk of the museums' attractions must be renewed on a regular basis. Furthermore, the large-scale exhibitions presented by our museums both here and abroad constitute major cultural events for all Quebecers.

Thus, to help improve the conditions for artistic creation and the situation of arts institutions, and to stimulate the renewal of exhibition programs, the Québec government is announcing a \$29.5-million contribution to be used for the following initiatives:

- support for arts and literature institutions in devising development plans for the improvement of conditions for artistic creation;
- increased support for artistic institutions benefiting from exceptional popularity on the international scene;
- increased support for major Québec institutions that make a unique contribution to artistic excellence;
- support for the next generation of artists by promoting access to first-time work experience;
- support for the renewal of permanent and temporary exhibitions in museological institutions throughout Québec;

- support for the presentation of international exhibitions both in Québec and abroad, through the contribution of the museums' own resources and of various sponsors involved with these projects.

The ministère de la Culture et des Communications, whose budget will be increased by \$29.5 million in 1999-2000, will release the terms and conditions governing the use of this financial assistance at a later date.

### **5.1.2 Measures targeting cultural facilities**

For over 20 years, the Québec government has helped to set up networks of cultural facilities which have improved access to cultural property and activities, highlighted Québec's heritage, developed regional cultural focuses and provided the general public, patrons and those working in the field with a cultural sector where professionalism matters.

This year, the Québec government will invest an additional \$30 million in assistance programs for cultural facilities and the restoration of cultural property. It will implement measures, in particular, in areas requiring urgent action linked to the maintenance of assets and the updating of current standards for facilities that promote reading, the performing arts and museology. Action will also be taken to preserve and enhance unique testaments to Québec's heritage.

This government assistance will in turn encourage the various cultural and municipal partners to make financial contributions.

The budget of the ministère de la Culture et des Communications will be increased by \$1.3 million in 2000-2001, \$2.5 million in 2001-2002 and \$3 million annually in subsequent years.

### **5.1.3 Support for major international events in Québec**

Over the years, Québec has spawned a large number of entertainment events, several of which have achieved international status by disseminating their products abroad. The Montréal International Jazz Festival, the Just For Laughs Festival, the FrancoFolies de Montréal, the Québec City Summer Festival, the Québec City Winter Carnival, the Festival International de Lanaudière and the Festival Western de Saint-Tite, to name just a few, draw sizeable crowds by offering performances, sports events, parades and street art. They enliven the community in which they are held and are instrumental in making Québec an attractive destination for foreigners, as well as for Quebecers themselves, by offering quality activities. The success and renown of these events enhance Québec's image abroad.

## □ Challenges of the industry

In a context of rapidly changing market conditions, our major international events must face global competition that is increasingly keen, well structured and, especially, that receives more government support. In general, government contributions to events in France and Scotland account for some 40% of total funding, while in the United States, where events are above all corporate models backed by a strong major sponsor market, the government's contribution can represent up to 10%, not counting indirect support. In comparison, the support provided to Québec events by public authorities represents, on average, some 10% of total funding.

Moreover, the financial requirements of institutions continue to grow, whereas funding is ever more uncertain due to changes in the advertising policy for tobacco products, the need to keep events accessible to the public, and a certain levelling-off of sponsorship.

To ensure their sustainability, it is imperative that Québec's major international events pursue their product development efforts and maintain exemplary quality, criteria for success that are recognized by the industry both in the United States and Europe. More and more, this mandate, which calls for adequate efforts and resources, implies working in concert with the State.

## □ Ensuring stability and growth in the industry

With a view to supporting these initiatives more efficiently, the government commissioned a study on the funding and economic spin-offs of festivals and international events.<sup>1</sup> According to the results of this study, major international events have a considerable impact on the Québec economy. Overall, they generate \$344 million worth of economic activity in Québec, support more than 9 000 jobs and supply \$48 million in Québec government revenues each year. Currently, major international events see few profits from these economic spin-offs, which tend instead to benefit the tourism industry and governments.

This study also showed that sustained investment would have to be made in the development of new content in order to ensure that the events continue to constitute tourist attractions, and that additional efforts would have to be devoted to stepping up international promotion of these events.

Aware of the industry's needs, the government intends to reinvest in these events a portion of the economic spin-offs generated by them, thereby enabling the industry to meet the challenges ahead. It is proposing for these major international events a partnership between the private and public sectors in order to ensure, through stable, multi-year funding of their activities, the dissemination of Québec's uniqueness as compared to the rest of North America.

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<sup>1</sup> KPMG. *Étude sur le financement, les retombées économiques, le développement et la promotion des festivals et événements internationaux*. February 2000.

To establish a solid development base for major international events, financial assistance of \$30 million will be granted in 1999-2000 to the Société des événements majeurs internationaux du Québec. Consequently, the budget of the ministère du Tourisme will be increased in 1999-2000 by the same amount.

### **□ Funding focuses**

The purpose of the subsidy granted to the Société des événements majeurs internationaux du Québec is to support the funding of:

- the operating expenses of major international events;
- activities to promote Québec's major international events on the international market;
- studies of new projects geared to the major international events market;
- services provided to major international events by a strategic support agency.

Details concerning the subsidy granted to the Société des événements majeurs internationaux du Québec will be given by the Minister for Tourism.

## **5.2 Television broadcasting**

### **5.2.1 TV5 development plan**

The TV5 television station is the only French-language station that can be picked up the world over. The flagship of multilateral cooperation in the French-speaking world, it broadcasts programs produced in France, Québec, Belgium, Canada, Switzerland and Africa on a continuous basis, thereby enabling Francophones and Francophiles on all continents to discover the cultures of these countries and appreciate their talents. Today, TV5 reaches over 100 million homes in 120 countries.

The station receives most of its public financing from the governments of France, Switzerland, Québec and Canada, and from the French-speaking community of Belgium. Considering the importance of TV5's economic spin-offs for our artists and audio-visual industry, Montréal's strategic positioning as a location from which TV5 can be transmitted throughout the Western hemisphere, and the scope of the technological and economic challenges that keep the media and communications sector in a state of constant upheaval, the Québec government intends to increase its share of the financing of the consortium, mainly through TV5 Québec Canada.

For this reason, the ministère de la Culture et des Communications and the ministère des Relations internationales will each receive additional funding of \$4 million.



## **5.2.2 Reinforcement of Télé-Québec's cultural mandate**

To enable Télé-Québec to reinforce its cultural mandate and to promote the dissemination of its products, the Québec government is granting it additional funding of \$4 million in 1999-2000. The budget of the ministère de la Culture et des Communications will increase by the same amount.

This sum will contribute to the enrichment and diversification of French-language cultural programming and, at the same time, encourage Québec's television production industry.

## **5.3 Preservation of our cultural heritage**

### **5.3.1 Expansion and renovation of the Institut de police du Québec**

The Institut de police du Québec is located in Nicolet on the former premises of the seminary. It is housed in an old building dating from the early 19<sup>th</sup> century, the layout of which poses major problems in relation to the Institut's requirements.

Major renovation work will be done in order to enable the future École nationale de police du Québec to carry out its mandate efficiently. For example, the section that was razed by fire in 1973 will be rebuilt. The classrooms, firing range, crime scenes and other training areas will be refurbished and equipped with appropriate facilities. A rowing tank and a multipurpose, multimedia room will be added to the current installations. The bedrooms and dormitories will also be renovated.

The work will be done by the Société immobilière du Québec, which owns the building. The cost of the renovations is estimated at \$43 million. The government will henceforth cover the rent costs, paid to date by the École nationale de police du Québec to the Société immobilière du Québec. This amount could reach \$5.6 million per fiscal year once the expansion and renovation work has been completed. For the next two fiscal years, the rent costs covered by the government will amount to \$1.6 million in 2000-2001 and \$1.7 million in 2001-2002. The budget of the ministère de la Sécurité publique will be adjusted accordingly. The École nationale de police du Québec will thus be able to devote its own resources to the training it provides and the functions and responsibilities attendant to its new status.

### **5.3.2 Additional financial assistance for the restoration and preservation of Québec's religious heritage**

Québec's religious legacy is an important part of its cultural heritage. Religious structures not only dominate our landscapes and our architectural history, they also house numerous artistic and historical treasures. To safeguard this heritage, which is a reflection of our history and culture, the Québec government implemented in 1995-1996 an assistance program for the preservation of our religious heritage, under which it has slated a total of \$80 million over the past few years.

Despite the large amounts already invested, needs remain substantial and many buildings whose heritage value is priceless are in urgent need of repair. Consequently, the Québec government intends to pursue its efforts to preserve this element of our cultural heritage. To this end, \$20 million will be added to the amount slated for the existing program. Restoration projects will be managed in conjunction with the Fondation du patrimoine religieux du Québec, a not-for-profit organization comprising representatives from the different religious traditions, mandated to preserve and enhance Québec's religious heritage.

The budget of the ministère de la Culture et des Communications will be increased by \$0.8 million in 2000-2001 and \$2 million annually beginning in 2001-2002.

## **6. OTHER MEASURES**

### **6.1 International relations**

#### **6.1.1 *Network of Québec delegations abroad***

Additional funding of \$0.5 million a year, as of 2000-2001, will be allocated to the ministère des Relations internationales, to increase Québec's representation abroad, in particular in Brussels and Munich.

#### **6.1.2 *Bureau des missions du premier ministre***

In the summer of 1999, the ministère des Relations internationales formed a new unit, the Bureau des missions du premier ministre, to coordinate the missions of the Prime Minister of Québec in other countries.

To cover the costs of these missions and provide for the day-to-day operations of the Bureau des missions du premier ministre, additional funding of \$0.1 million in 1999-2000 and \$3.2 million thereafter is required.

Accordingly, the funding allocated to the ministère des Relations internationales will be increased by \$0.1 million in 1999-2000 and by \$1.8 million a year afterward. The ministère de l'Industrie et du Commerce will also receive additional estimates of \$1.4 million a year as of 2000-2001 for this purpose.

#### **6.1.3 *Saison Québec – New York 2001***

The Québec government is fully committed to the success of the Saison du Québec à New York in the summer and fall of 2001. For this purpose, \$0.5 million will be allocated to the ministère des Relations internationales for fiscal year 1999-2000, and it will receive additional estimates of \$2.5 million over the next two years.

### **6.2 Development and promotion of the tourism industry**

Supplementary appropriations of \$16 million will be allocated to the ministère du Tourisme in 1999-2000 to promote tourism in Québec and on international markets. These funds will be used to:

- continue the promotional offensive in the United States in 2000-2001;
- finalize the implementation of the Centre d'affaires électroniques which will position and commercialize Québec on the global market;

- promote and develop the tourism product of the Gaspésie tourism region;
- implement a quality approach throughout the tourism industry to ensure that tourists are protected and to safeguard Québec's brand image.

#### **DEVELOPMENT AND PROMOTION OF THE TOURISM INDUSTRY**

(in millions of dollars)

	<b>1999-2000</b>
Promotion in the United States market	4.5
Centre d'affaires électroniques	4.0
Gaspésie	4.5
Implementation of a quality approach	3.0
<b>TOTAL</b>	<b>16.0</b>

### **6.3 Assistance for sustainable environmental development**

Assistance for sustainable development is designed to support universities, non-profit organizations, businesses, municipalities and individuals in carrying out studies, research, development and demonstration projects. This assistance will also support training, awareness and information activities, data gathering and analysis, and environmental management initiatives. Accordingly, the appropriations of the ministère de l'Environnement will be increased by \$20 million in 1999-2000.

The government assistance has four components:

- residual material;
- air quality issues;
- surface and groundwater management;
- bursaries and internships.

The "bursaries and internships" component is geared toward young people working in the sustainable development field.

The ministère de l'Environnement will soon announce the details concerning assistance for sustainable development at a later date.

## **6.4 Miscellaneous measures**

### **6.4.1 Assistance program for owners of homes damaged by pyrite**

Since the early 1990s, the foundations of many homes on Montréal's south shore have shown signs of serious and premature deterioration. The damage is due to pyrite present in the fill material placed beneath the foundations. Under certain conditions, pyrite oxidizes and causes the fill material to swell, which can cause the concrete apron to heave and crack, resulting in significant deterioration of the building's foundations, to the point that it may be uninhabitable.

To assist the affected homeowners, a financial assistance program will be set up and the details of the program will soon be released by the Société d'habitation du Québec (SHQ).

The program will provide direct financial assistance to owners of a building of which at least one dwelling is the principal residence of its occupants and for which the building permit was issued before April 15, 1999, when a guideline was issued to ensure that the fill used is free of risks associated with pyrite.

The work giving rise to financial assistance includes the clearing of the concrete apron and fill, installation of new fill free of pyrite and a new concrete apron. The maximum amount of eligible work is set at \$30 000 per residence. Work carried out before the introduction of the program is not eligible, nor is the portion of the work carried out to correct damage caused by pyrite to the floor of a garage.

The financial assistance is calculated using a rate that declines as the standardized value of the property, excluding the land, rises. The maximum assistance rate is 75% of the amount of eligible work for a property whose standardized value is less than or equal to \$70 000. The rate falls gradually to 5%, and then to zero for a property whose standardized value is greater than \$200 000.

An estimated 5 000 homes may be affected by pyrite, excluding those where only the garage is affected. Damage is evaluated at an average of \$20 000 per residence, excluding the garage.

The average assistance granted under the program would amount to roughly \$13 800 per homeowner, i.e. almost \$70 million over a period of ten years. The Québec government will cover 50% of the cost of the program and will begin negotiations with the federal government and the municipalities concerned to defray the remaining 50%.

The estimates allocated to the ministère des Affaires municipales et de la Métropole will be adjusted upward by \$3.5 million in 2000-2001 and by \$3.1 million in 2001-2002.

### **6.4.2 Commemoration of the tri-centennial of the Grande Paix de Montréal**

In the summer of 1701, the political authorities of New France and forty aboriginal nations met at Montréal and concluded a peace treaty called "La Grande Paix de Montréal", thus bringing an end to one hundred years of armed conflict. Many historians see this as the most significant event between the founding of Québec in 1608 and the British conquest in 1760.

Many activities will commemorate this event, including a theme-based exhibition on peace, an education exchange project, an Amerindian university chair and a theme park.

These activities will culminate in a three or four-day celebration in Montréal, in August 2001.

The Québec government is providing financial support for this event, amounting to \$3.6 million. The 1999-2000 appropriations of the ministère du Conseil exécutif will be adjusted accordingly.

### **6.4.3 Creation of the École nationale des pompiers du Québec**

As part of the reform undertaken by the ministère de la Sécurité publique regarding fire safety, an École nationale des pompiers du Québec will be formed. It will oversee the quality of professional training of firefighters and other municipal workers involved in fire safety in Québec. In particular, it will seek to raise and standardize the qualifications of the personnel of municipal services, to provide adequate protection of life and property.

To carry out its mission, the new School will coordinate all the training activities already provided in the education network by ensuring that training activities at the secondary, college and university levels are vertically integrated and coherent. It will approve pedagogical activities and support research efforts in this field. It will also provide supplemental teaching services, in particular for on-going training and training of part-time firefighters.

To enable the École nationale des pompiers du Québec to effectively carry out its mandate, an envelope of \$0.5 million will be added to the budget of the ministère de la Sécurité publique for the initial year, 2000-2001, and \$1.2 million a year in subsequent fiscal years.

#### **6.4.4 Collection of amounts owed to the government**

Since 1994, the Québec government has taken a variety of measures to curb unreported work and tax evasion. The ministère du Revenu du Québec has accordingly intensified its audit activities. Also, other departments and organizations (ministère de la Sécurité publique, Commission de la construction du Québec and Régie du bâtiment du Québec, etc.) have developed action plans in their respective fields of activity. The efforts of these departments and organizations to counter tax evasion are funded to a considerable extent from the “provision for collecting all government revenue” of the ministère des Finances.

To maintain the government’s effort to curb unreported work and tax evasion, the budget of the ministère des Finances will be raised by \$15 million in 2000-2001 and by \$15 million in 2001-2002.