

2000-2001
BUDGET

Budget

Plan

Section 3

The Government's Budgetary and Financial Stance

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This section of the 2000-2001 Budget Plan indicates the Québec government's budgetary and financial stance. It presents revenue, expenditure, budget balance and net financial surplus forecasts in light of the economic assumptions adopted and the fiscal and budgetary policies announced in the 2000-2001 Budget Speech.

Maintaining a balanced budget, reducing taxes and increasing the resources allocated to public services

The government's Budget Plan once again calls for a balanced budget for 1999-2000. This balance will be maintained through 2000-2001 and 2001-2002, in accordance with the Act respecting the elimination of the deficit and a balanced budget.

TABLE 3.1

SUMMARY OF CONSOLIDATED FINANCIAL OPERATIONS^{1, 2} (in millions of dollars)

	1997-98	1998-99	99-2000 ^P	2000-01 ^P	2001-02 ^P
Budgetary transactions					
Own-source revenue	35 773	38 560	40 677	40 947	41 479
Federal transfers	5 989	8 090	6 284	7 306	7 827
Total revenue	41 762	46 650	46 961	48 253	49 306
Operating expenditure	- 36 578	- 39 332	- 39 573	- 40 828	- 41 831
Debt service	- 7 343	- 7 187	- 7 388	- 7 425	- 7 475
Total expenditure	- 43 921	- 46 519	- 46 961	- 48 253	- 49 306
Budgetary surplus (deficit)	- 2 159	131	0	0	0
Non-budgetary surplus	475	392	460	- 474	77
Net financial surplus (requirements)					
- Consolidated revenue fund	- 906	905	750	0	500
- consolidated organizations	- 778	- 382	-290	- 474	- 423
- total	- 1 684	523	460	- 474	77

P: Preliminary results for 1999-2000 and forecasts for subsequent years.

1 A negative entry indicates a financial requirement and a positive entry, a source of financing.

2 Based on the budgetary structure in effect in 2000-2001.

The government has decided to use the surpluses achieved as compared to the forecasts in the 1999-2000 Budget Speech to:

- Reduce personal taxes more rapidly and substantially than originally projected;
- Increase the resources allocated to public services, especially in the health and social services and education sectors.

However, it has ensured that this redistribution to citizens of the gains made in fighting the deficit does not jeopardize the maintenance of a balanced budget, for this year or the years following.

For a second consecutive year, net financial surpluses will be achieved in 1999-2000, i.e. \$460 million. However, for 2000-2001, the government's net financial requirements will total \$474 million, given that the expenditures recorded in 1998-1999 and 1999-2000 following the recent wage agreements reached with government employees will not result in disbursements until 2000-2001. In 2001-2002, net financial surpluses of \$77 million will once again be achieved.

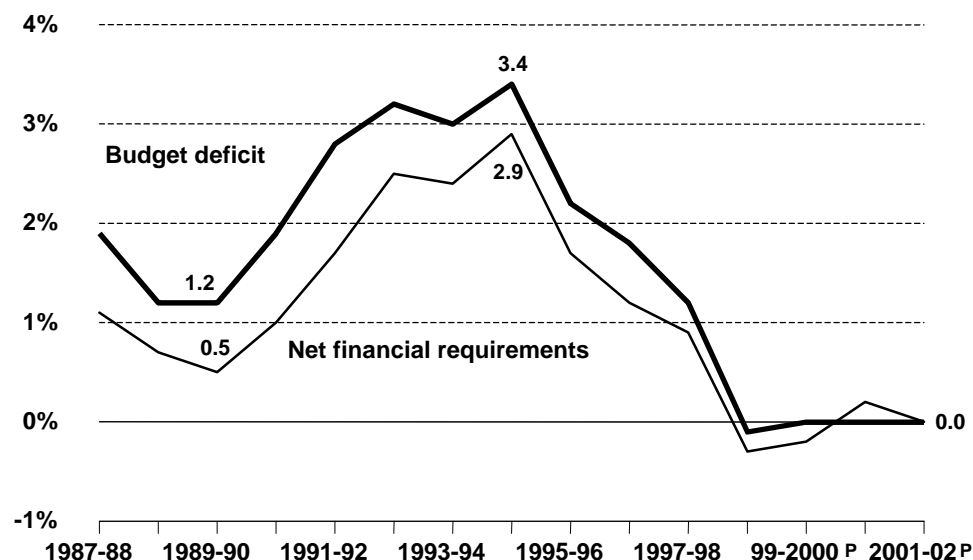
A significant improvement in the financial situation due to rigorous management

The government action taken in recent years has substantially improved its financial situation.

Since 1994-1995, when the budgetary deficit accounted for 3.4% of gross domestic product (GDP), this proportion has gradually been reduced to zero, and the government intends to maintain this rigorous management in the years ahead.

GRAPH 3.1

BUDGET DEFICIT AND NET FINANCIAL REQUIREMENTS (as a percentage of GDP)



P: Preliminary results for 1999-2000 and forecasts for subsequent years.

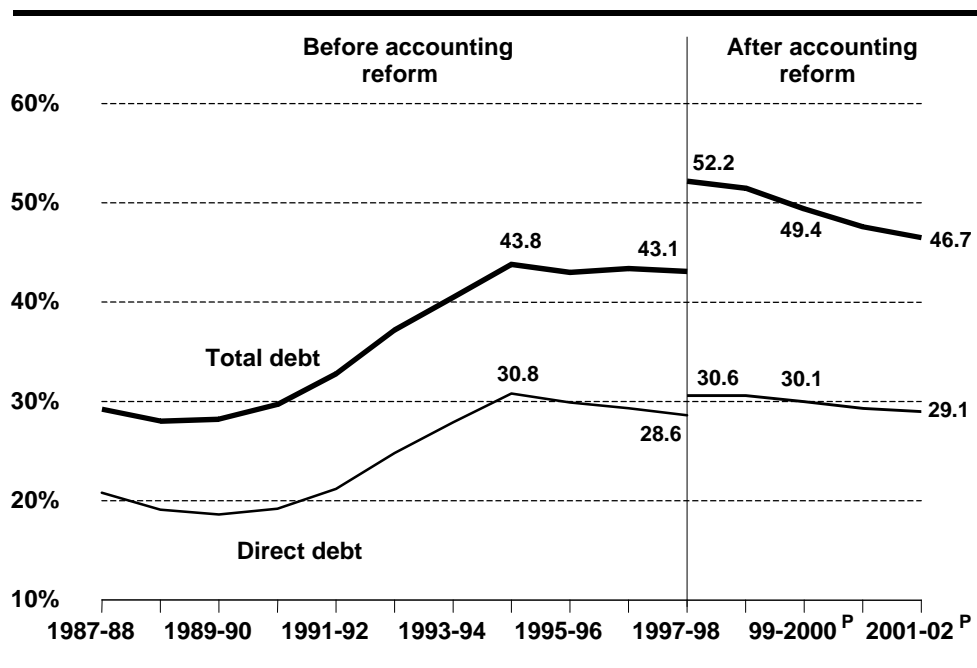
The government's indebtedness rate continues to decline

The gradual elimination of the deficit has resulted in a reduction of the government's indebtedness rate. The direct consolidated debt should represent 29.1% of GDP at the end of fiscal 2001-2002, whereas that proportion stood at 30.6% in 1997-1998.

As a proportion of GDP, the total consolidated debt, which comprises the direct consolidated debt and the government's net liability under the retirement plans of public and parapublic sector employees, will also continue to decline, dropping from 52.2% in 1997-1998 to 46.7% in 2001-2002.

GRAPH 3.2

GOVERNMENT DEBT AT THE END OF THE FISCAL YEAR¹ (as a percentage of GDP)



P: Preliminary results for 1999-2000 and forecasts for subsequent years.

¹ Excluding the pre-financing of \$2 831 million in borrowings in 1998-1999 and \$758 million in 1999-2000.

The portion of government revenue allocated to interest payments on the debt is decreasing

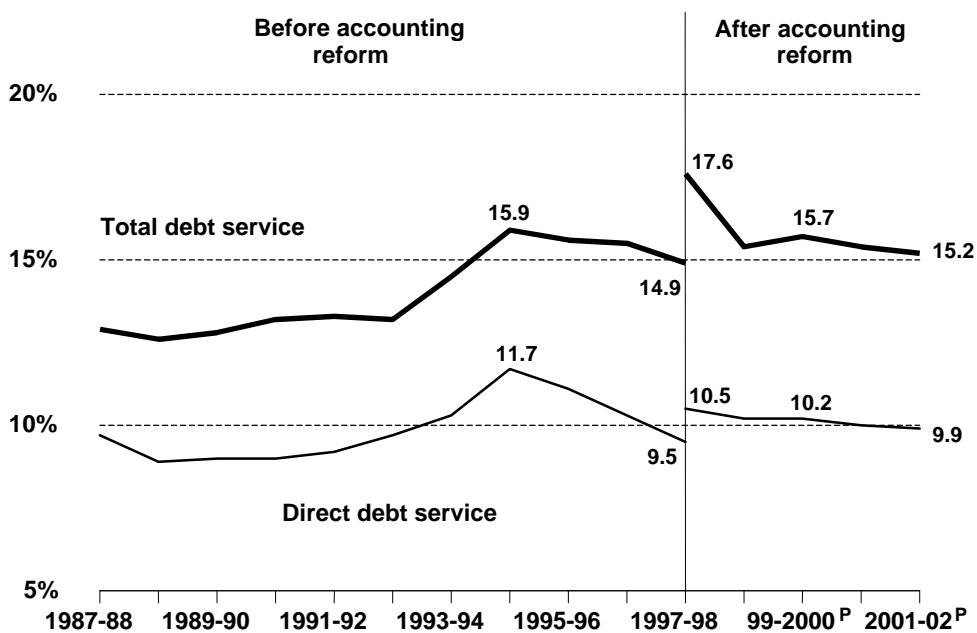
The portion of government revenue allocated to direct debt service should, over the forecast period, total around 10%. Direct debt service does not include interest on the liability under retirement plans and includes, since the reform of government accounting, the debt service of the consolidated organizations.

As for the portion of budgetary revenue allocated to total debt service, it should decline from 17.6% in 1997-1998 to 15.2% in 2001-2002.

GRAPH 3.3

DEBT SERVICE

(as a percentage of budgetary revenue)



P: Preliminary results for 1999-2000 and forecasts for subsequent years.

Government revenue

Budgetary revenue

The government's budgetary revenue should total \$48 253 million in 2000-2001, i.e. \$40 947 million in own-source revenue and \$7 306 million in federal transfers. After rising 0.7% in 1999-2000, budgetary revenue should gain 2.8% in 2000-2001 and 2.2% in 2001-2002.

TABLE 3.2

BUDGETARY REVENUE (in millions of dollars)

	1997-98	1998-99	99-2000 ^P	2000-01 ^P	2001-02 ^P
Own-source revenue	35 773	38 560	40 677	40 947	41 479
% change	n.a.	7.8	5.5	0.7	1.3
Federal transfers	5 989	8 090	6 284	7 306	7 827
% change	n.a.	35.1	- 22.3	16.3	7.1
Budgetary revenue	41 762	46 650	46 961	48 253	49 306
% change	n.a.	11.7	0.7	2.8	2.2
Nominal GDP growth rate in % ¹	4.1	3.2	4.8	5.3	4.0
Inflation rate in Canada in % ¹	1.6	0.9	1.7	2.1	1.3

P: Preliminary results for 1999-2000 and forecasts for subsequent years.

n.a.: Not applicable.

1 For the calendar year ending three months before the end of the fiscal year.

Own-source revenue

In 1999-2000, own-source revenue should rise by 5.5% compared with the preceding year. The most substantial increases will be recorded for corporate taxes, consumption taxes and revenue from government enterprises.

The positive performance of own-source revenues is essentially attributable to strong growth in the major tax bases. It also reflects the increase in Hydro-Québec's profits.

TABLE 3.3

OWN-SOURCE REVENUE, BY SOURCE

(in millions of dollars)

	1999-2000 ^P	2000-2001 ^P	2001-2002 ^P
Personal income tax	15 979	15 705	15 961
% change	4.5	- 1.7	1.6
Health Services Fund	4 208	4 198	4 181
% change	2.2	- 0.2	- 0.4
Corporate taxes	3 575	4 121	4 308
% change	5.0	15.3	4.5
Consumption taxes	8 931	9 202	9 474
% change	5.0	3.0	3.0
Other sources	2 513	2 423	2 386
% change	3.6	- 3.6	- 1.5
Sub-total	35 206	35 649	36 310
% change	4.3	1.3	1.9
Government enterprises	3 742	3 428	3 429
% change	19.5	- 8.4	0.0
Consolidated organizations	1 729	1 870	1 740
% change	2.9	8.2	- 7.0
Own-source revenue	40 677	40 947	41 479
% change	5.5	0.7	1.3
Nominal GDP growth rate in % ¹	4.8	5.3	4.0

P: Preliminary results for 1999-2000 and forecasts for subsequent years.

1 For the calendar year ending three months before the end of the fiscal year.

For 2000-2001 and 2001-2002, a slowdown in the growth rate of own-source revenue is expected. In 2000-2001, the increase should amount to no more than 0.7% due to the tax reductions announced in this Budget and the budgets of the last two years. In 2001-2002, the rise will be 1.3%, given that the impact of the tax cuts on the growth in revenue will be less substantial than in the preceding year.

Changes in revenue by source:

- Personal income tax, the main source of government revenue,¹ should decline by 1.7% in 2000-2001 to just over \$15.7 billion. During this fiscal year, the increase in tax revenue arising from growth in income subject to tax will be more than offset by the impact of the tax reduction announced in this Budget. In 2001-2002, the increase in revenue should amount to 1.6%, which is compatible with the rise in income subject to tax, taking the impact of the fiscal measures into account;
- Health Services Fund contributions should remain virtually unchanged at \$4.2 billion in 2000-2001, with the growth in wages and salaries being offset by the decrease in the contribution rate for small and medium enterprises in force since January 1, 2000. In 2001-2002, Health Services Fund contributions are expected to fall 0.4% because of the additional reduction in the contribution rate which will become effective January 1, 2001 and the measure announced in the 1999-2000 Budget aimed at reducing personal contributions;
- The 15.3% rise in revenue expected in corporate taxes in 2000-2001 is due mainly to the strong performance of corporate profits. In 2001-2002, revenue should increase by 4.5% given the anticipated slowdown in the growth of corporate profits;
- Consumption tax revenue should increase by 3.0% in 2000-2001 and 2001-2002, comparable to the rate of growth in household consumption when the change in input tax refunds is taken into account;
- Revenue from government enterprises is expected to fall 8.4% in 2000-2001 because of the anticipated drop in the revenue of Hydro-Québec, Loto-Québec and other enterprises. However, this is partly offset by the forecast rise in the profits of the Société des alcools du Québec. In 2001-2002, revenue from government enterprises should remain stable, since the increase in Hydro-Québec and Société des alcools du Québec profits will be offset by a decrease in the revenue of the other government enterprises;

¹ Appendix 3.2 presents, in particular, the breakdown of the main sources of the government's own-source revenue since 1970-1971.

- Revenue from consolidated organizations should grow by 8.2% in 2000-2001, due to the restructuring of the financing of some of these organizations, before plummeting 7.0% in 2001-2002;
- Lastly, revenue from other sources should decrease slightly in 2000-2001 and 2001-2002.

Link between growth in own-source revenue and economic growth

Broadly speaking, growth in own-source revenue is expected to match nominal economic growth. Once the financial impact of the fiscal measures has been taken into account, the average annual growth rate for own-source revenue over the next two years should be 4.6%, the same as for gross domestic product.

TABLE 3.4

OWN-SOURCE REVENUE AND GDP (in millions of dollars)

	2000-2001 ^F	2001-2002 ^F
Revenue, excluding government enterprises and consolidated organizations	35 649	36 310
% change	1.3	1.9
Less:		
Impact of measures in the 1999-2000 and 2000-2001 budgets: ¹		
□ personal income tax reduction	– 1 000	– 1 500
□ other measures	– 269	– 543
Impact of measures in the 1997-1998 and 1998-1999 budgets ²	– 765	– 822
Revenue before measures	37 683	39 175
% change	5.4	4.0
Gross domestic product	213 316	221 751
% change	5.3	4.0
Elasticity³	1.01	1.00

F: Forecasts.

1 Source: 2000-2001 and 1999-2000 Budget Speeches, Additional Information on the Budgetary Measures.

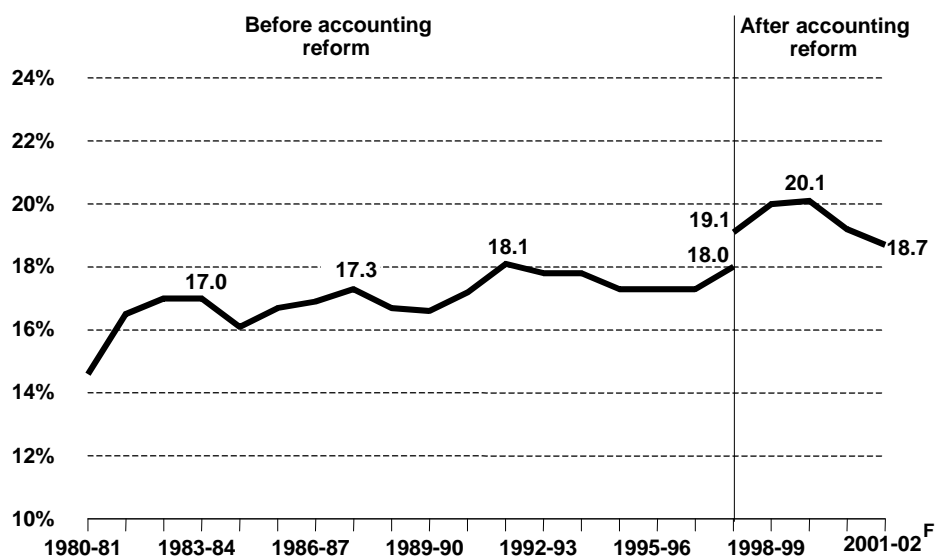
2 Does not include the measures for collecting all revenue owed to the government and deferral of QST rebate to large enterprises. Sources: 1997-1998 Budget Speech, Appendix A, and 1998-1999 Budget Speech, Additional Information on the Budgetary Measures.

3 Elasticity measures the link between growth in revenue before various measures and growth in gross domestic product. An elasticity of 1.00 means that a 1% increase in gross domestic product will result in a 1% increase in own-source revenue.

Own-source revenue as a proportion of gross domestic product, including consolidated organizations, should amount to 20.1% in 1999-2000. Given the tax reductions announced in this Budget and those of previous years, this ratio should decline over the forecast period to 18.7% in 2001-2002.

GRAPH 3.4

OWN-SOURCE REVENUE
(as a percentage of GDP)



F: Forecast.

Federal transfers

Following a drop of 22.3% in 1999-2000, Government of Canada transfers should rise by 16.3% in 2000-2001 and 7.1% in 2001-2002.

On an accrual basis, i.e. by adjusting the data to allocate the amounts received to the year they relate to, federal transfers should grow by 7.6% and by 8.7% in 2000-2001 and 2001-2002 respectively, following a decline of 2.5% in 1999-2000.

TABLE 3.5

FEDERAL TRANSFER REVENUE

(in millions of dollars)

	1997-98	1998-99	1999-00 ^P	2000-01 ^P	2001-02 ^P
Cash basis					
Consolidated Revenue Fund	5 671	7 832	6 036	7 050	7 577
% change	- 15.6	38.1	- 22.9	16.8	7.5
Consolidated organizations	318	258	248	256	250
Total	5 989	8 090	6 284	7 306	7 827
% change	n.a.	35.1	- 22.3	16.3	7.1
Adjustment to charge amounts to the appropriate year	902	- 1 232	403	- 112	- 4
Accrual basis	6 891	6 858	6 687	7 194	7 823
% change	n.a.	- 0.5	- 2.5	7.6	8.7

P: Preliminary results for 1999-2000 and forecasts for subsequent years.

n.a.: Not applicable.

On a cash basis, the substantial increase of 16.3% in federal transfers in 2000-2001 is mainly a reflection of the planned withdrawal of funds from the Canada Health and Social Transfer (CHST) trust account. It also reflects an increase in equalization revenue following the anticipated rise in provincial revenues subject to this program. In 2001-2002, federal transfers should grow by 7.1%. As in 2000-2001, the withdrawal of funds from the CHST trust account will provide temporary support for the growth in federal transfer revenue.

CHST trust account

As part of its budget last year, the federal government created a CHST trust account in which it deposited \$3.5 billion for the use of the provinces. Of this amount, Québec's share was \$841 million. Last year's Québec Budget stipulated that \$482 million would be withdrawn from the trust account and used in 1999-2000, \$240 million in 2000-2001 and \$119 million in 2001-2002.

In its last budget, the federal government announced that \$2.5 billion would be added to the CHST trust account over four years for the provinces as a whole. As far as Québec is concerned, this addition means that its share will rise by \$600 million, which can be withdrawn between now and March 31, 2004. In view of these additional amounts, Québec plans to withdraw \$420 million from the trust account in 2000-2001, \$765 million in 2001-2002 and \$256 million in 2002-2003.

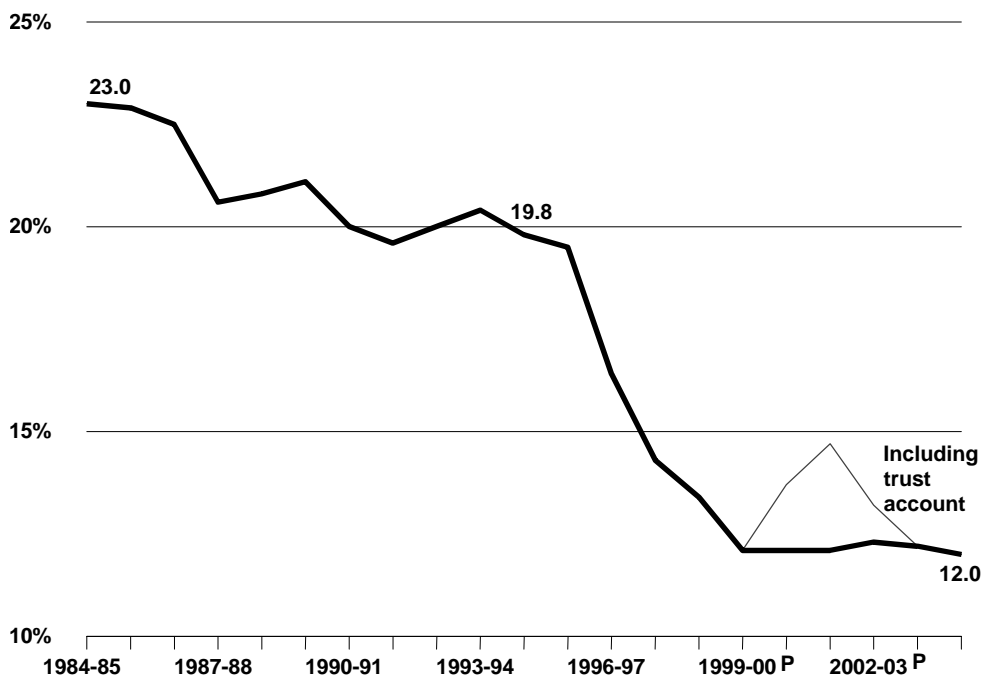
TABLE 3.6

FORECAST WITHDRAWALS FROM THE CHST TRUST ACCOUNT (in millions of dollars)

	99-2000	2000-01	2001-02	2002-03	2003-04	Total
1999-2000 Budget	482	240	119	—	—	841
2000-2001 Budget						
- 1999-2000 endowment	—	420	421	—	—	841
- 2000-2001 endowment	—	—	344	256	—	600
Total	—	420	765	256	—	1 441

It is worth noting that the federal contribution to social programs funding, even including the additions made by the federal government last year and this year, will continue to stagnate in the medium term. This contribution, which amounted to 23% of Québec's spending in the mid-1980s, will account for only 12% in 2004-2005, basically the same percentage as in 1999-2000.

GRAPH 3.5

FEDERAL CHST TRANSFERS TO QUÉBEC¹
 (as a percentage of Québec's social spending²)


1 Including the value of the special Québec abatement.

2 Health, education and income security spending.

P: Preliminary results for 1999-2000 and forecasts for subsequent years.

Government expenditure

The government's budgetary expenditure should total \$48 253 million in 2000-2001, up 2.8% compared to 1999-2000. Operating expenditures will amount to \$40 828 million, while debt service will total \$7 425 million.

Operating expenditures include the program spending of government departments as well as the expenditures of consolidated organizations. Similarly, debt service includes the debt service of the Consolidated Revenue Fund and that of consolidated organizations.

TABLE 3.7

BUDGETARY EXPENDITURE¹ (in millions of dollars)

	1997-98	1998-99	99-2000 ^P	2000-01 ^P	2001-02 ^P
Operating expenditure					
□ Program spending	- 35 484	- 37 964	- 38 274	- 39 460	- 40 613
% change	n.a.	1.9 ¹	0.8	3.1	2.9
□ Consolidated organizations	- 1 094	- 1 368	- 1 299	- 1 368	- 1 218
Total operating expenditure	- 36 578	- 39 332	- 39 573	- 40 828	- 41 831
% change	n.a.	2.6 ¹	0.6	3.2	2.5
Debt service					
□ Consolidated Revenue Fund	- 6 766	- 6 574	- 6 724	- 6 750	- 6 851
% change	n.a.	- 2.8	2.3	0.4	1.5
□ Consolidated organizations	- 577	- 613	- 664	- 675	- 624
Total debt service	- 7 343	- 7 187	- 7 388	- 7 425	- 7 475
% change	n.a.	- 2.1	2.8	0.5	0.7
Budgetary expenditure	- 43 921	- 46 519	- 46 961	- 48 253	- 49 306
% change	n.a.	1.8 ¹	1.0	2.8	2.2
Nominal GDP growth rate in % *	4.1	3.2	4.8	5.3	4.0
Inflation rate in Canada in % *	1.6	0.9	1.7	2.1	1.3

P: Preliminary results for 1999-2000 and forecasts for subsequent years.

n.a.: Not applicable.

* For the calendar year ending three months before the end of the fiscal year.

1 Excluding the impact of expenditures incurred to implement the financial restructuring and consolidation plan for health and social services network institutions, and to improve the financial situation of universities, and excluding the impact of the Canada-Québec Labour Market Agreement which became effective in 1998-1999.

Program spending

The government has achieved a substantial surplus compared to the forecasts in the 1999-2000 Budget Speech. Some of the surplus is being reinvested in program spending. Consequently, program spending growth should reach 3.1% in 2000-2001. The significant addition of resources will secure and improve the delivery of public services, in the health and social services sector among others, as well as in sectors affecting young people and education.

In 2001-2002, program spending should rise at a rate similar to that forecast for 2000-2001, i.e. 2.9%. This growth rate is compatible with the government's objectives in terms of maintaining a balanced budget and reducing taxes.

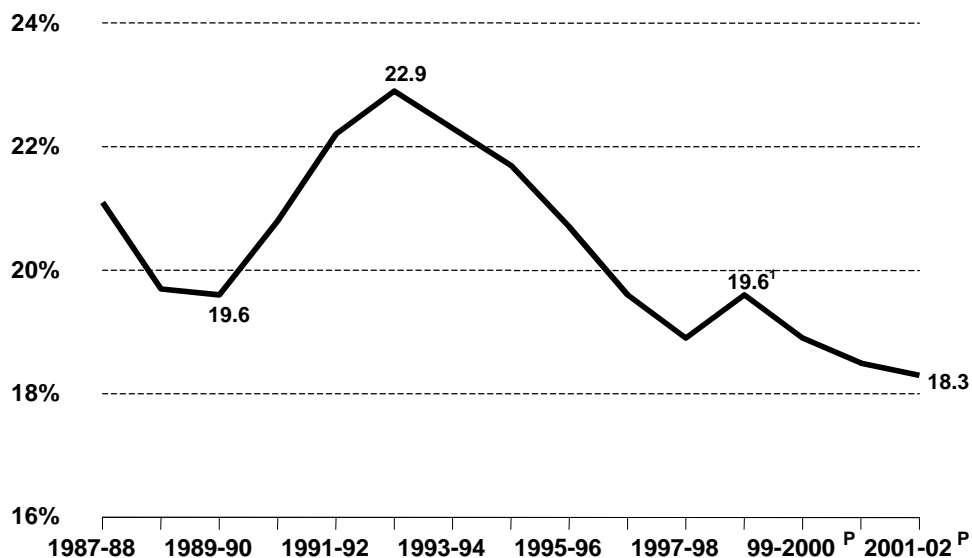
New spending initiatives

The 2000-2001 Budget Speech announces that additional resources totalling \$2.7 billion are being allocated in the health and social services sector. Furthermore, an additional \$1 billion is allocated to fund the education networks. Lastly, substantial resources are provided for other initiatives for young people and education, to support economic transformation and job creation, to bolster regional development, and for culture.

Taking into account the measures announced in this Budget and the policy directions retained for the next few years, the ratio of the government's program spending to GDP should continue falling to 18.9% in 1999-2000 and 18.3% in 2001-2002.

GRAPH 3.6

PROGRAM SPENDING
(as a percentage of GDP)



P: Preliminary results for 1999-2000 and forecasts for subsequent years.

1 The increase between 1997-1998 and 1998-1999 in the program spending/GDP ratio is attributable to expenditures of \$1 377 million in 1998-1999 to implement the financial restructuring and consolidation plan for health and social services network institutions, and to improve the financial situation of universities.

Section 3

Appendix 3.1

Anticipated and actual budget deficit since 1995-1996

The government eliminated the deficit in 1998-1999, one year earlier than forecast. As a result, it has accumulated surpluses of \$1 401 million in relation to the deficit targets stipulated in the Act respecting the elimination of the deficit and a balanced budget.

In accordance with the Act, these surpluses could be used to offset possible overruns compared with a balanced budget in the years to come.

TABLE 3.1.1

ANTICIPATED AND ACTUAL BUDGET DEFICIT (in millions of dollars)

	1995-96	1996-97	1997-98 ¹	1998-99 ¹	99-2000 ^{P 1}
Deficit anticipated in the Budget Speech in each year	- 3 975	- 3 275	- 2 200	- 1 200	0
Actual deficit	- 3 966 ²	- 3 217 ²	- 2 192	126	0
Surplus	9	58	8	1 326	0
Accumulated surplus compared with the Act	-	67	75	1 401	1 401
Adjusted deficit ³	- 3 949	- 3 215	- 2 159	131	0

P: Preliminary results.

1 According to the government's new accounting framework implemented in fiscal year 1997-1998.

2 Data drawn from the public accounts reflecting the accounting policies in effect each year.

3 Based on the budgetary structure in effect in 2000-2001.

Section 3

Appendix 3.2

Additional information on budgetary revenue in 2000-2001

The Québec government's revenue should total \$48 253 million in 2000-2001. This revenue is derived from two sources: own-source revenue and federal transfer revenue.

Own-source revenue accounts for almost 85% of the government's revenue

In 2000-2001, the Québec government's own-source revenue should reach \$40 947 million, or 84.9% of budgetary revenue. Own-source revenue can be divided into three categories. The first category consists of tax revenue, which essentially includes personal income tax, corporate taxes and consumption taxes. The next category takes in non-tax revenue, such as various duties and permits (registration fees, hunting and fishing permits, etc.), miscellaneous revenue (interest, recoveries, sales of goods and services, fines, etc.) and the revenue of consolidated organizations. The last category comprises revenue from government enterprises, such as Hydro-Québec, Loto-Québec and the Société des alcools du Québec.

TABLE 3.2.1

BUDGETARY REVENUE IN 2000-2001^F

	In \$M	In %
Own-source revenue	40 947	84.9
Federal transfers	7 306	15.1
	48 253	100.0

F: Forecast.

Tax revenue makes up the bulk of own-source revenue

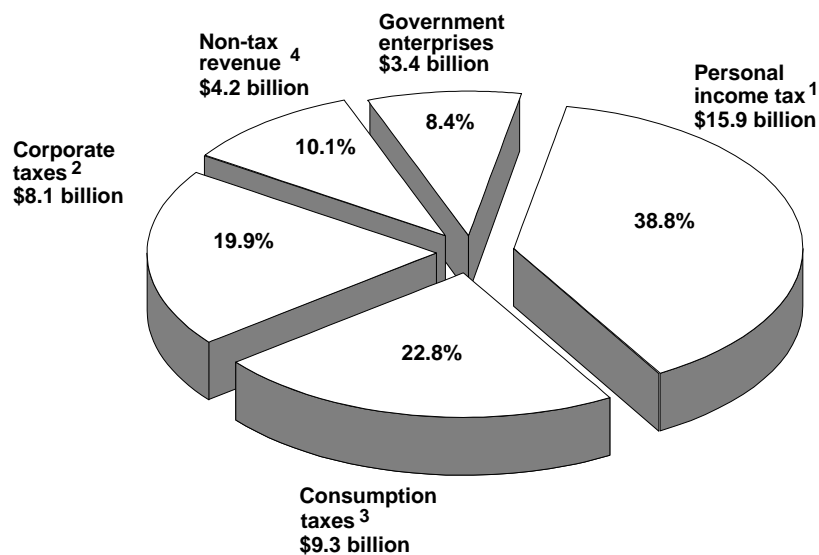
In 2000-2001, personal income tax will be the largest source of own-source revenue (38.8%), followed by consumption taxes (22.8%) and corporate taxes (19.9%). These three sources, which make up tax revenue, account for 81.5% of all own-source revenue.

The balance of own-source revenue consists of revenue from government enterprises (8.4%) and non-tax revenue (10.1%), which includes fees for government services and the revenue of consolidated organizations.

GRAPH 3.2.1

DISTRIBUTION OF OWN-SOURCE REVENUE BY SOURCE IN 2000-2001^F

Total: \$40.9 billion



F: Forecast.

1 Including individuals' contributions to the Health Services Fund.

2 Including corporate contributions to the Health Services Fund.

3 Including duties on alcoholic beverages.

4 Including revenue of consolidated organizations.

Change in own-source revenue by source

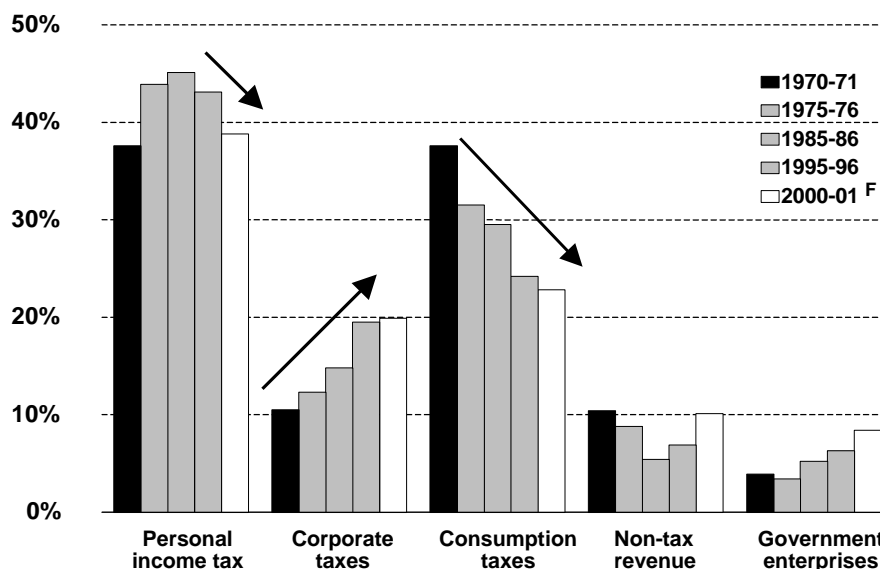
The composition of own-source revenue has changed considerably over the years. Personal income tax as a proportion of overall revenue has declined over the past two decades, while the share of corporate taxes has grown appreciably, almost doubling since 1970-1971. The share of consumption taxes has fallen sharply, from 37.6% in 1970-1971 to 22.8% in 2000-2001. The share of consumption taxes has fallen sharply, from 37.6% in 1970-1971 to 22.8% in 2000-2001.

The importance of revenue from government enterprises and non-tax revenue has grown in recent years, in particular because of the improved profitability of government corporations and cost-effective fees for government services. Furthermore, the addition of consolidated organizations to the government accounting entity since 1997-1998 has helped to significantly increase the share of these two revenue sources in total own-source revenue.

GRAPH 3.2.2

OWN-SOURCE REVENUE BY SOURCE

(as a percentage of the total)



F: Forecast.

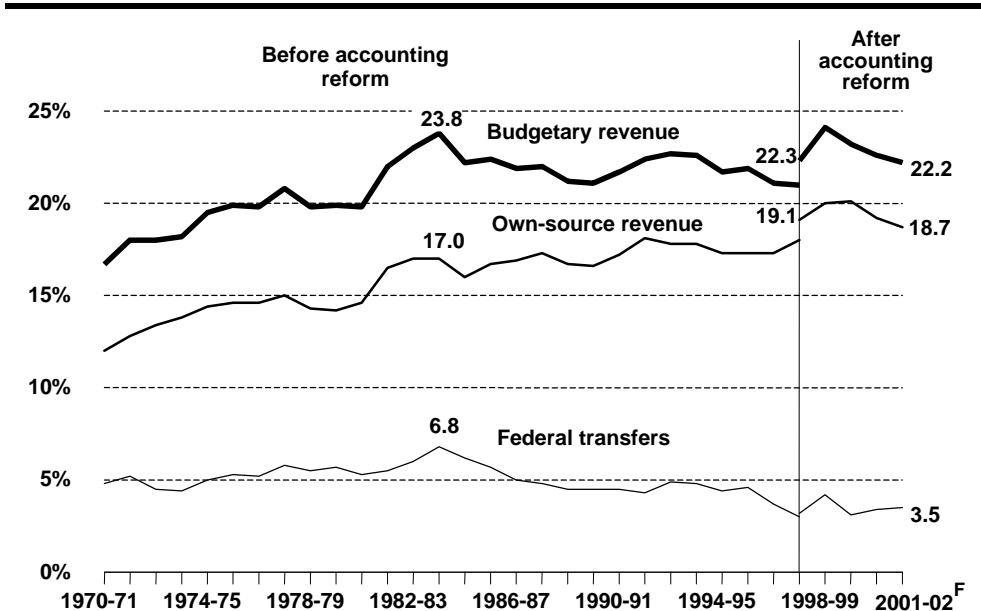
Budgetary revenue

Since the early 1980s, budgetary revenue has accounted for a relatively steady proportion of GDP, although this ratio has risen since 1997-1998 with the consolidation of certain organizations within the government accounting entity.

However, the share of own-source revenue has risen during this period, while that of federal transfers has fallen because of federal cuts to funding for social programs.

GRAPH 3.2.3

BUDGETARY REVENUE (as a percentage of GDP)



F: Forecast.

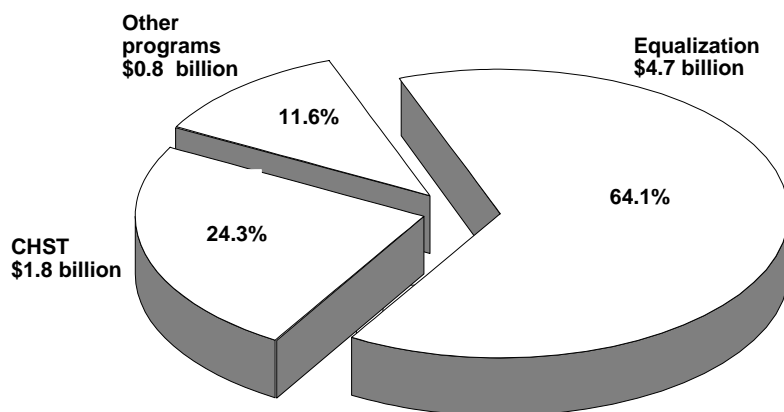
Equalization accounts for almost two-thirds of federal transfers

The Québec government's revenue also includes federal transfers. In 2000-2001, these transfers will reach \$7 306 million, or 15.1% of budgetary revenue. Federal transfers include equalization, the Canada Health and Social Transfer (CHST), as well as revenue from a number of cost-sharing agreements between Québec and the federal government.

GRAPH 3.2.4

DISTRIBUTION OF FEDERAL TRANSFERS BY SOURCE IN 2000-2001^F

Total: \$7.3 billion



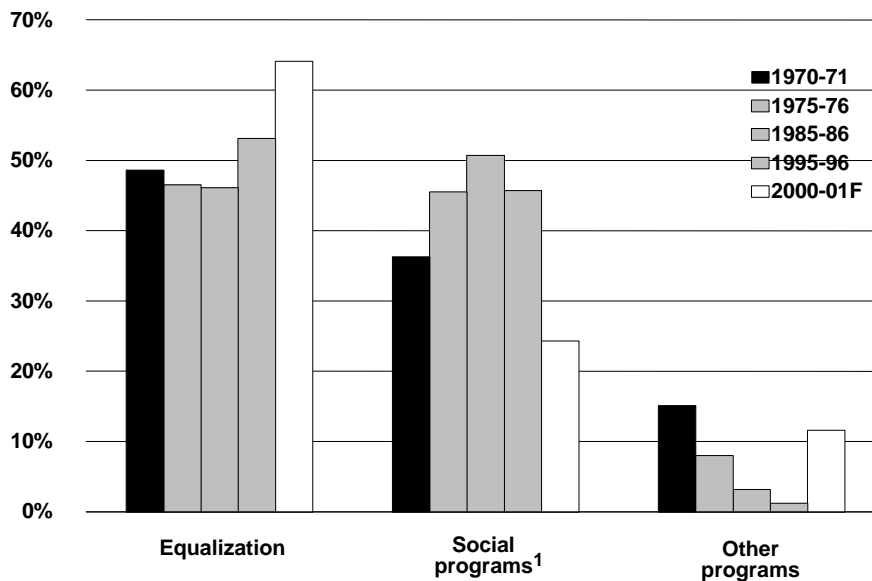
F: Forecast.

Share of federal transfers for health, education and income security down sharply

As the following graph shows, the share of federal cash transfers for health, education and income security services has fallen sharply since the early 1980s. This decline has recently accelerated with the implementation of the CHST in 1996-1997, which was accompanied by a substantial drop in the federal contribution to social programs funding.

GRAPH 3.2.5

FEDERAL TRANSFERS BY SOURCE (as a percentage of the total)



F: Forecast.

¹ Cash transfers only (excluding the special Québec abatement).

Section 3

Appendix 3.3

Additional information on the Québec government's financial position

TABLE 3.3.1

GOUVERNEMENT DU QUÉBEC
SUMMARY OF FINANCIAL TRANSACTIONS¹
(in millions of dollars)

	Budgetary transactions						
	Own-source revenue	Federal transfers	Budgetary revenue	Operating expenditure	Debt service	Budgetary expenditure	Surplus (deficit)
Before reform of government accounting							
1970-1971	2 747	1 095	3 842	- 3 790	- 197	- 3 987	- 145
1971-1972	3 183	1 294	4 477	- 4 622	- 210	- 4 832	- 355
1972-1973	3 743	1 262	5 005	- 5 110	- 242	- 5 352	- 347
1973-1974	4 364	1 377	5 741	- 6 112	- 288	- 6 400	- 659
1974-1975	5 358	1 872	7 230	- 7 376	- 296	- 7 672	- 442
1975-1976	6 099	2 224	8 323	- 8 906	- 368	- 9 274	- 951
1976-1977	7 118	2 523	9 641	- 10 361	- 456	- 10 817	- 1 176
1977-1978	7 996	3 090	11 086	- 11 184	- 606	- 11 790	- 704
1978-1979	8 517	3 271	11 788	- 12 469	- 817	- 13 286	- 1 498
1979-1980	9 453	3 757	13 210	- 14 640	- 970	- 15 610	- 2 400
1980-1981	10 750	3 899	14 649	- 16 748	- 1 382	- 18 130	- 3 481
1981-1982	13 445	4 479	17 924	- 18 595	- 1 950	- 20 545	- 2 621
1982-1983	14 685	5 178	19 863	- 20 026	- 2 300	- 22 326	- 2 463
1983-1984	15 706	6 235	21 941	- 21 593	- 2 511	- 24 104	- 2 163
1984-1985	16 147	6 247	22 394	- 23 255	- 3 012	- 26 267	- 3 873
1985-1986	18 074	6 190	24 264	- 24 383	- 3 354	- 27 737	- 3 473
1986-1987	19 848	5 839	25 687	- 25 103	- 3 556	- 28 659	- 2 972
1987-1988	22 300	6 131	28 431	- 27 151	- 3 675	- 30 826	- 2 395
1988-1989	23 702	6 403	30 105	- 28 006	- 3 802	- 31 808	- 1 703
1989-1990	24 784	6 693	31 477	- 29 222	- 4 015	- 33 237	- 1 760
1990-1991	26 568	6 992	33 560	- 32 084	- 4 437	- 36 521	- 2 961
1991-1992	28 249	6 766	35 015	- 34 649	- 4 666	- 39 315	- 4 300
1992-1993	28 161	7 782	35 943	- 36 216	- 4 756	- 40 972	- 5 029
1993-1994	28 801	7 780	36 581	- 36 200	- 5 316	- 41 516	- 4 935
1994-1995	29 455	7 510	36 965	- 36 908	- 5 881	- 42 789	- 5 824
1995-1996	30 645	8 142	38 787	- 36 702	- 6 034	- 42 736	- 3 949
1996-1997	31 175	6 719	37 894	- 35 254	- 5 855	- 41 109	- 3 215
After reform of government accounting							
1997-1998	35 773	5 989	41 762	- 36 578	- 7 343	- 43 921	- 2 159
1998-1999	38 560	8 090	46 650	- 39 332	- 7 187	- 46 519	131
1999-2000 ^P	40 677	6 284	46 961	- 39 573	- 7 388	- 46 961	0

P: Preliminary results.

¹ A negative entry indicates a financial requirement and a positive entry, a source of financing.

Non-budgetary transactions					Net financial requirements
Investments, loans and advances	Capital investments	Retirement plans	Other accounts	Surplus	
- 73	—	2	26	- 45	- 190
- 63	—	1	113	51	- 304
- 53	—	- 1	18	- 36	- 383
- 122	—	25	459	362	- 297
- 146	—	104	319	277	- 165
- 186	—	109	622	545	- 406
- 183	—	187	- 161	- 157	- 1 333
- 229	—	265	- 488	- 452	- 1 156
- 189	—	316	119	246	- 1 252
- 188	—	683	551	1 046	- 1 354
- 56	—	822	416	1 182	- 2 299
- 586	—	1 007	71	492	- 2 129
- 761	—	1 051	- 40	250	- 2 213
- 672	—	1 057	- 437	- 52	- 2 215
- 167	—	1 183	887	1 903	- 1 970
40	—	1 269	493	1 802	- 1 671
- 380	—	1 355	260	1 235	- 1 737
- 680	—	2 203	- 494	1 029	- 1 366
- 670	—	1 634	- 266	698	- 1 005
- 516	—	1 164	296	944	- 816
- 458	—	1 874	63	1 479	- 1 482
- 411	—	1 916	140	1 645	- 2 655
- 490	—	1 525	81	1 116	- 3 913
- 623	—	1 668	64	1 109	- 3 826
- 1 142	—	1 509	581	948	- 4 876
- 287	—	1 701	- 413	1 001	- 2 948
- 792	—	1 928	- 57	1 079	- 2 136
- 1 315	- 209	1 888	111	475	- 1 684
- 1 402	- 217	1 020	991	392	523
- 1 755	- 372	1 629	958	460	460

TABLE 3.3.2

GOUVERNEMENT DU QUÉBEC
TOTAL DEBT AT THE END OF THE FISCAL YEAR¹

	Direct debt ²		Retirement plans liability ³		Total debt	
	In millions of dollars	As a % of GDP	In millions of dollars	As a % of GDP	In millions of dollars	As a % of GDP
Before reform of government accounting						
1970-1971	2 478	10.7	—	—	2 478	10.7
1971-1972	2 920	11.7	—	—	2 920	11.7
1972-1973	3 309	11.8	—	—	3 309	11.8
1973-1974	3 679	11.6	—	—	3 679	11.6
1974-1975	4 030	10.8	67	0.2	4 097	11.0
1975-1976	4 955	11.8	179	0.4	5 134	12.2
1976-1977	6 035	12.3	354	0.7	6 389	13.1
1977-1978	7 111	13.3	620	1.2	7 731	14.4
1978-1979	8 325	14.0	915	1.5	9 240	15.5
1979-1980	9 472	14.2	1 598	2.4	11 070	16.6
1980-1981	12 247	16.5	2 420	3.3	14 667	19.8
1981-1982	14 184	17.4	3 428	4.2	17 612	21.6
1982-1983	16 485	19.1	4 489	5.2	20 974	24.3
1983-1984	18 880	20.5	5 545	6.0	24 425	26.5
1984-1985	21 216	21.1	6 729	6.7	27 945	27.8
1985-1986	23 633	21.8	7 998	7.4	31 631	29.2
1986-1987	25 606	21.8	9 353	8.0	34 959	29.8
1987-1988	26 819	20.8	10 883	8.4	37 702	29.2
1988-1989	27 091	19.1	12 597	8.9	39 688	28.0
1989-1990	27 699	18.6	14 320	9.6	42 019	28.2
1990-1991	29 637	19.2	16 227	10.5	45 864	29.7
1991-1992	33 106	21.2	18 143	11.6	51 249	32.8
1992-1993	39 231	24.8	19 668	12.4	58 899	37.2
1993-1994	45 160	27.9	20 483	12.6	65 643	40.5
1994-1995	52 468	30.8	21 997	12.9	74 465	43.8
1995-1996	52 886	29.9	23 624	13.1	76 510	43.0
1996-1997	52 625	29.3	25 461	14.2	78 086	43.4
After reform of government accounting						
1997-1998	57 294	30.6	40 434	21.6	97 728	52.2
1998-1999	59 144 ⁴	30.6	40 424	20.9	99 568 ⁴	51.5
1999-2000 ^P	60 930 ⁵	30.1	39 227	19.4	100 157 ⁵	49.4

P: Preliminary results.

1 Adjusted data excluding the impact of the pre-recording of expenditures from 1987-1988 to 1989-1990.

2 Including Treasury bills, Treasury notes and long-term debt. As of 1976-1977, the debt in foreign currency has been expressed in the Canadian equivalent, based on the exchange rate at March 31 of the fiscal year under consideration.

3 Balance of retirement plans account less amount accumulated in the retirement plans sinking fund.

4 Excluding the pre-financing of \$2 831 million in borrowings in 1998-1999.

5 Excluding the pre-financing of \$758 million in borrowings in 1999-2000.

TABLE 3.3.3

GOUVERNEMENT DU QUÉBEC
DEBT SERVICE

	Direct debt service		Interest on the retirement plans liability ¹		Total debt service	
	In millions of dollars	As a % of budgetary revenue	In millions of dollars	As a % of budgetary revenue	In millions of dollars	As a % of budgetary revenue
Before reform of government accounting						
1970-1971	197	5.1	—	—	197	5.1
1971-1972	210	4.7	—	—	210	4.7
1972-1973	242	4.8	—	—	242	4.8
1973-1974	288	5.0	—	—	288	5.0
1974-1975	296	4.1	—	—	296	4.1
1975-1976	368	4.4	—	—	368	4.4
1976-1977	456	4.7	—	—	456	4.7
1977-1978	606	5.5	—	—	606	5.5
1978-1979	763	6.5	54	0.5	817	6.9
1979-1980	882	6.7	88	0.7	970	7.3
1980-1981	1 217	8.3	165	1.1	1 382	9.4
1981-1982	1 686	9.4	264	1.5	1 950	10.9
1982-1983	1 921	9.7	379	1.9	2 300	11.6
1983-1984	2 031	9.3	480	2.2	2 511	11.4
1984-1985	2 414	10.8	598	2.7	3 012	13.5
1985-1986	2 648	10.9	706	2.9	3 354	13.8
1986-1987	2 754	10.7	802	3.1	3 556	13.8
1987-1988	2 751	9.7	924	3.2	3 675	12.9
1988-1989	2 665	8.9	1 137	3.8	3 802	12.6
1989-1990	2 829	9.0	1 186	3.8	4 015	12.8
1990-1991	3 026	9.0	1 411	4.2	4 437	13.2
1991-1992	3 222	9.2	1 444	4.1	4 666	13.3
1992-1993	3 475	9.7	1 281	3.6	4 756	13.2
1993-1994	3 750	10.3	1 566	4.3	5 316	14.5
1994-1995	4 332	11.7	1 549	4.2	5 881	15.9
1995-1996	4 287	11.1	1 747	4.5	6 034	15.6
1996-1997	3 906	10.3	1 949	5.1	5 855	15.5
After reform of government accounting						
1997-1998	4 378	10.5	2 965	7.1	7 343	17.6
1998-1999	4 773	10.2	2 414	5.2	7 187	15.4
1999-2000 ^P	4 776	10.2	2 612	5.6	7 388	15.7

P: Preliminary results for 1999-2000.

1 Amount of interest ascribed to the retirement plans account less income from the retirement plans sinking fund.