



With a growing economy and the lowest unemployment rate in 25 years, we can now redistribute the fruits of prosperity.

Each of us can capitalize on our shared strengths. All the opportunities are there to build the future.

Forging strong links



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“We want to strengthen each link in our society.”

Deputy Prime Minister and Minister of State
for the Economy and Finance Pauline Marois,
in the Québec National Assembly on March 29, 2001

The 2001-2002 Budget is characterized by vigilance and foresight, but also by a determination to bring about an equitable redistribution of prosperity among each and every one of us and a major investment in our collective development.

Over the past four years, Québec has experienced remarkable economic growth. Although we must be cautious about the future, the time has come to step up the fight against poverty and exclusion.

A major offensive, inspired by solidarity

THE FIGHT AGAINST
POVERTY AND EXCLUSION

\$300
million

“Since 1996, 140 000 adults and 100 000 children have left social assistance, but we must continue to share our prosperity more equitably.”

- ▶ 2.5% increase in June in social assistance benefits for 250 000 households.
- ▶ Creation of the ACTION EMPLOI program for people who have been receiving social assistance for at least three years. This program will provide a supplement equal to \$3 an hour the first year, \$2 an hour the second and \$1 an hour the third, if they hold a full-time job.
- ▶ \$100 million to meet the most urgent needs, particularly in terms of social housing.





ECONOMIC DEVELOPMENT OF THE RESOURCE REGIONS **\$800 million** over three years

"Bas-Saint-Laurent, Saguenay–Lac-Saint-Jean, Mauricie, Abitibi-Témiscamingue, Côte-Nord, Nord-du-Québec and Gaspésie–Îles-de-la-Madeleine contribute to Québec's collective wealth and to the preservation of its competitive position on world markets."

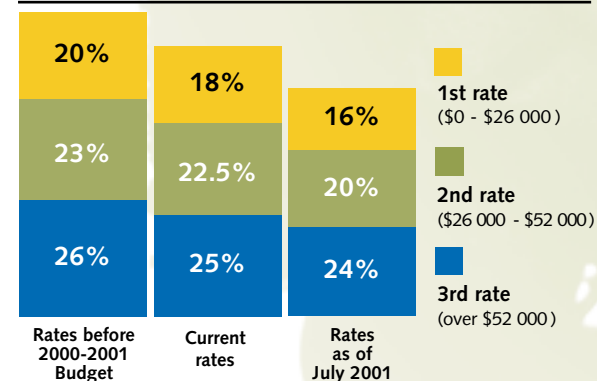
- ▶ Zero tax for 10 years on income, capital and payroll for manufacturing SMEs in remote resource regions.
- ▶ 40% tax credit on wages for natural resource processing.
- ▶ \$142 million over three years for economic diversification and the development of niches of excellence.
- ▶ \$265 million to support forest resource development and mining exploration.
- ▶ Support for the forest and mining sectors.
- ▶ Measures extended to all the regions to facilitate SME financing and job creation.
- ▶ Creation of a new fund in collaboration with the Mouvement Desjardins, to direct venture capital toward cooperatives and the regions.

TAX REDUCTION **\$3.5 billion** over three years

"The Québec government made a commitment to reduce personal income tax. This year's Budget amplifies and accelerates that trend, particularly for families, the middle class and the least affluent."

- ▶ An additional reduction of \$1 billion as of July 1.
- ▶ The reduction in personal income tax will reach \$3.5 billion over the next three years.
- ▶ Adding this year's income tax reductions to those of last year, taxpayers will benefit from an average income tax reduction of 20% in 2002.
- ▶ The additional income tax reduction for families will take effect earlier and will apply retroactively to January 1, 2001.
- ▶ Automatic indexation will come into effect one year earlier—on January 1, 2002.

TAX RATE PER TAXABLE INCOME BRACKET



REDUCTION OF PERSONAL INCOME TAX

(in dollars)	IN 2001		IN 2002	
	2001-2002 Budget	Total reduction ¹	2001-2002 Budget	Total reduction ¹
Couple with two children and two incomes				
\$40 000	375	1 124	254	1 433
\$50 000	585	1 704	412	2 141
\$75 000	672	1 556	871	2 310
\$100 000	895	2 004	1 235	3 034
Person living alone				
\$20 000	128	385	129	538
\$30 000	243	678	308	979
\$40 000	371	863	495	1 274
\$75 000	636	1 478	772	2 191

¹ Impact of the 2000-2001 Budget and of the 2001-2002 Budget.

HEALTH AND SOCIAL SERVICES **\$2 billion**

"Access to health services for everyone, regardless of financial situation, is one of the priorities of Quebecers and of their government."

- ▶ \$1.3 billion added to operating budgets, and \$600-million reserve created for the particular purpose of bolstering the modernization of the network and implementing the recommendations of the Clair Commission, especially that regarding family medicine units.
- ▶ Injection of \$45 million over three years, to strengthen basic services for children and youth.
- ▶ \$32 million to permanently support home care services provided by businesses in the social economy.
- ▶ \$30 million to improve the living conditions of older persons losing their autonomy.
- ▶ \$10 million more this year and \$5 million in subsequent years for an action plan to develop athletic excellence.

EDUCATION AND YOUTH **\$730 million**

"Education is our best investment in the future. By continuing to devote substantial amounts to it, we can continue to have one of the top-ranking education systems in industrialized countries."

- ▶ \$730 million more for education, \$200 million of which can be used to modernize the networks, support the reform and purchase textbooks.
- ▶ All the commitments made at the Québec Youth Summit have been kept and the performance contracts signed with universities have been honoured.
- ▶ \$72 million to encourage school success.
- ▶ \$38 million to improve the student financial assistance system.
- ▶ Extension and improvement of the tax credit for on-the-job training.
- ▶ Scholarships are henceforth completely tax-exempt.



JOB CREATION

"The government intends to support programs that create jobs, to improve infrastructures and to foster the contribution of culture to the economy."

Economic growth

- ▶ The Private Investment and Job Creation Fund (FAIRE) has proved its worth. Its funding will be increased by \$150 million.
- ▶ \$250 million will be invested over three years in research infrastructures.
- ▶ \$50 million more will be earmarked for the Institut national d'optique and to increase the number of graduates of optics and photonics programs.
- ▶ \$865 million will be devoted to improving the road network, i.e. \$155 million more than last year.

Culture

- ▶ \$33 million more granted over four years to the Conseil des arts et des lettres du Québec to encourage artistic creation.
- ▶ \$23 million for cultural initiatives in the regions.
- ▶ Investments of \$30 million in cultural facilities.
- ▶ \$16 million for the creation of two repositories of our collective heritage, one in Montréal and one in Québec.
- ▶ \$12 million over five years to consolidate Télé-Québec's cultural mission.

The environment

- ▶ Creation of a joint power line burial program: \$300 million
- ▶ \$40 million over three years to, among other things:
 - implement a water management policy;
 - support the reduction of agricultural pollution;
 - strengthen the greenhouse gas emission reduction program.

WE STILL HAVE A ZERO DEFICIT, AND WE ARE DEVOTING HALF A BILLION DOLLARS TO REPAYMENT OF THE DEBT.