

# **Ministerial Statement**

by

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**Concerning the Government's 2007-2008  
Budgetary Policy**

June 1, 2007

Mr. President:

I wish to make a statement before the National Assembly today that amends certain aspects of the government's budgetary policy.

Last Thursday, I read the 2007-2008 Budget Speech, which presented our overall fiscal vision. A vision in which Québec has confidence in its resources and determinedly takes up the challenges necessary to ensure a more prosperous future. The budget I tabled was that of a minority government that wants to work with the Opposition, in accordance with the wishes of the population.

In the budget measures, we took into account the priorities expressed by Quebecers. That is also reflected in the appropriations allocated to the various departments. As a reminder, health funding was increased by 6%, and education funding by 5%.

The budget was intended to unify and sought to provide a concrete response to the priorities of Québec society as a whole. I sincerely hoped that it would rally the support of a majority of MNAs.

As you know, that did not happen. The message we received is that more must be done or done differently.

Before the budget was tabled, I met with the opposition parties to ascertain their priorities. Unfortunately, in the case of the Action démocratique du Québec, the decision was made weeks ago to vote against the budget regardless of the measures in it. As for the Parti québécois, I had underestimated the scope of its demands.

Since the tabling of the budget, we have worked to find the best solution to the current situation and reconcile the various positions, in the interest of Québec. I want to commend, in particular, the Parti québécois for its openness. I also want to mention the support of the Premier and emphasize the leadership demonstrated by him.

I am announcing that we will increase spending for 2007-2008 by \$111 million relative to the budget I tabled on May 24.

Thus,

- an additional \$60 million will enable more seniors to remain in the living environment of their choice and more family medicine groups to be created;
- another \$30 million will be allocated to help students with learning difficulties; and, lastly
- \$21 million will go exclusively to the resource regions so that they can diversify their economy and support the innovation projects of their businesses.

With these new investments, we will be able to improve home care, we will provide adequate assistance to more young people experiencing difficulties in school and we will bolster support for our resource regions.

These amounts are in addition to those already earmarked in the budget. The appropriations of the departments concerned will be increased. In fact, I will table additional appropriations before the National Assembly in a few minutes, during the period for tabling documents.

Our government pledged to maintain a balanced budget. It is therefore imperative to adjust government revenue policies in order to fund this new spending.

I am announcing that we will impose an additional income tax contribution on financial institutions and oil refining companies. Their income tax rate will be raised immediately from 9.9% to 11.9%.

I will also have the opportunity to submit, during the tabling period, explanatory texts on this measure and its application details, as well as tables concerning the amended 2007-2008 financial framework.

Today, the government is demonstrating receptiveness and flexibility by making the necessary changes to the budgetary policy we tabled. We fulfilled our role by proposing to the National Assembly a balanced budget that met the needs of Quebecers and the challenges facing Québec. We are doing so by taking responsible action in favour of political stability and economic prosperity in Québec, for the benefit of all Quebecers.

I invite MNAs to take into consideration the measures announced in this statement, which amend the budget tabled on May 24, when they vote on the motion proposing that the National Assembly

approve the government's budgetary policy for the 2007-2008 fiscal year.

Thank you, Mr. President.