

Fiscal Summary (\$ Millions)

| | Actual 1997-98 | 1998-99 | | |
|---------------------------------|-------------------|----------------|--------------------|-------------------|
| | | Budget Plan | Current Outlook | In-Year Change |
| Revenue | 52,488 | 53,390 | 54,214 | 824 |
| Expense | | | | |
| Programs | 43,607 | 45,219 | 45,711 | 492 |
| Restructuring and Other Charges | 1,595 | 194 | 561 | 367 |
| Total Programs Expense | 45,202 | 45,413 | 46,272 | 859 |
| Capital | 2,523 | 2,337 | 2,344 | 7 |
| Public Debt Interest | 8,729 | 9,214 | 9,161 | (53) |
| Total Expense | 56,454 | 56,964 | 57,777 | 813 |
| Reserve | -- | 650 | -- | (650) |
| DEFICIT | 3,966 | 4,224 | 3,563 | (661) |

HIGHLIGHTS

1997-98 PUBLIC ACCOUNTS

- ◆ The Public Accounts, released September 28th, reported the 1997-98 audited actual deficit at \$3,966 million, down \$1,237 million from the interim forecast in the 1998 Budget. The improvement was due to \$378 million in higher revenues than anticipated in the Budget and net lower expense of \$859 million, mainly related to a change in the accounting treatment of the Province's three-year commitment to fund debt service costs for school board capital debentures.

1998-99 IN-YEAR PERFORMANCE

DEFICIT OUTLOOK AT \$3.6 BILLION

- ◆ The 1998-99 deficit is projected at \$3,563 million, down \$661 million from the 1998 Budget Plan and \$657 million from the First Quarter Ontario Finances.

REVENUE AT \$54.2 BILLION

- ◆ The revenue outlook, at \$54,214 million, is up \$824 million from the Budget Plan and up \$820 million from First Quarter Ontario Finances, mainly due to higher Personal Income Tax revenue.

EXPENSE AT \$57.8 BILLION

- ◆ Total expense, at \$57,777 million, is up \$813 million from the Budget Plan and First Quarter Ontario Finances, largely reflecting an additional expense of \$307 million related to the change in accounting treatment of debt servicing costs for school board capital debentures; a net \$367 million increase in the provision for Restructuring and Other Charges; and an additional \$220 million for start-up and insurance costs for Canadian Blood Services, partially offset by a reduction of \$145 million in capital and operating expense for last winter's ice storms, as these costs have been expensed in 1997-98.

RESERVE APPLIED TO DEFICIT REDUCTION

- ◆ The reserve, designed to protect the fiscal plan against unforeseen risks, such as adverse changes in the economic outlook, and its impact on revenues and public debt interest costs, has been applied to deficit reduction. Based on the improved revenue outlook for 1998-99, the \$650 million reserve will not be needed.

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ONTARIO FINANCES

DETAILS OF IN-YEAR CHANGES

FISCAL PERFORMANCE

REVENUE

The current revenue outlook of \$54,214 million is \$824 million more than the \$53,390 million projected in the 1998 Budget Plan and \$820 million above the projection in the First Quarter Ontario Finances. The increase is mainly due to higher Personal Income Tax (PIT) revenue. The PIT gain is partially offset by lower revenue from the Government of Canada and Other Non-tax Revenue.

- ◆ Personal Income Tax (PIT) revenue is \$1,450 million more than the Budget projection due to an increase in the estimate of 1997 PIT assessments, based on preliminary tax return processing information, and higher projected taxable income for the 1998 tax year.
- ◆ Revenue from the Government of Canada is down by \$593 million.
 - ◆ Canada Health and Social Transfer (CHST) payments are down by \$470 million due to a downward revision in Statistics Canada's population estimates for Ontario for the last ten years, which reduces Ontario's CHST entitlements, and lower cash entitlements resulting from the increased value of the PIT tax points.
 - ◆ Other Federal Revenue is \$123 million lower than the Budget forecast. The 1998 Budget revenue forecast included an anticipated \$125 million for ice storm compensation from the federal government. However, as all ice storm compensation (and expense) was reflected in the 1997-98 Public Accounts, both revenue and expense in 1998-99 are correspondingly reduced by the amounts charged to the previous year. This is partially offset by a \$2 million increase in other federal revenue for Network 2000 and the Public Libraries Network.
- ◆ Other Fees and Licences revenue increased by \$4 million to partially offset the expense increase for the Fish and Wildlife program.
- ◆ Sales and Rentals are down \$10 million due to lower revenue from property management activities.
- ◆ Miscellaneous revenue is down \$31 million from the first quarter. Revenue (and expense) for the Occupational Health and Safety Program are lower by \$35 million as the recovery of prior years' expenditures are now netted against expense, consistent with the treatment of such receipts in the 1997-98 Public Accounts. Partially offsetting this decrease is a \$4 million increase arising out of the new responsibilities of the Ontario Energy Board.

OPERATING EXPENSE

- ◆ Net operating expense, at \$55,433 million, is up \$806 million from the Budget Plan. Major changes totalling \$833 million this quarter are as follows:
 - ◆ Ministry of Agriculture, Food and Rural Affairs: An additional \$2 million, fully offset from the Contingency Fund, for necessary Year 2000 computer system changes.
 - ◆ Ministry of the Attorney General: An additional \$1 million to establish the Office for Victims of Crime.
 - ◆ Ministry of Citizenship, Culture and Recreation: An additional \$4 million to plan and develop initiatives to commemorate the millennium throughout Ontario; and \$2 million for Network 2000 and Public Libraries Network.
 - ◆ Ministry of Community and Social Services: A reduction of \$20 million related to capital leases expensed in the Public Accounts in prior years and an additional \$1 million, fully offset from the Contingency Fund, for necessary Year 2000 computer system changes.
 - ◆ Ministry of Consumer and Commercial Relations: An additional \$1 million, fully offset from the Contingency Fund, for necessary Year 2000 computer system changes.

ONTARIO FINANCES

DETAILS OF IN-YEAR CHANGES

OPERATING EXPENSE CONT'D

- ♦ Ministry of Education and Training: An additional expense of \$307 million for debt servicing costs for school board capital debentures reflecting a change in the Province's accounting treatment; an additional \$44 million for School Board Transition costs included as part of the overall provision for Restructuring and Other Charges; and an additional \$3 million, fully offset from the Contingency Fund, for necessary Year 2000 computer system changes.
- ♦ Ministry of Energy, Science and Technology: An additional \$4 million to reflect the new responsibilities of the Ontario Energy Board, fully offset by revenue; and an additional \$1 million for the Science and Technology Division, fully offset from the Contingency Fund.
- ♦ Ministry of Environment: An additional \$12 million to launch the Drive Clean Program for the mandatory inspection of vehicle emissions to reduce smog; and \$1 million, fully offset from the Contingency Fund, for necessary Year 2000 computer system changes.
- ♦ Ministry of Finance: An increase of \$404 million, largely as a result of a \$400 million increase in the unallocated provision for Restructuring and Other Charges; as well as an additional \$2 million for necessary Year 2000 computer system changes and an additional \$2 million for the Integrated Financial Information System, both fully offset from the Contingency Fund.
- ♦ Ministry of Health: A net increase of \$234 million, including \$220 million for start-up and insurance costs for Canadian Blood Services and \$16 million, fully offset from the Contingency Fund, for necessary Year 2000 computer system changes.
- ♦ Ministry of Labour: A reduction of \$35 million in the Occupational Health and Safety program as recoveries of prior years' expenditures are now netted against expense, consistent with the treatment in the Public Accounts.
- ♦ Management Board Secretariat: Increases of \$5 million for necessary Year 2000 computer system changes and \$2 million for the Regional Delivery Restructuring Project, both fully offset from the Contingency Fund. Consistent with the classification of restructuring charges in the 1997-98 Public Accounts, the Special Circumstances Fund of \$77 million has been reclassified as program spending. This reclassification will not affect the delivery of the Fund.
- ♦ Ministry of Municipal Affairs and Housing: A reduction of \$125 million in expense for last winter's ice storms in Eastern Ontario as these costs have been expensed in 1997-98; and an additional \$2 million, fully offset from the Contingency Fund, for necessary Year 2000 computer system changes.
- ♦ Ministry of Natural Resources: An additional \$42 million for extra forest fire-fighting; \$6 million for the Fish and Wildlife program to ensure continued protection and management of Ontario's fish and wildlife resources; and a reduction of \$12 million related to capital leases expensed in the Public Accounts in prior years.
- ♦ Ministry of the Solicitor General and Correctional Services: An additional \$1 million, fully offset from the Contingency Fund, for necessary Year 2000 computer system changes.
- ♦ Ministry of Transportation: An additional \$1 million for Vehicle Emission Inspections under the Drive Clean Program; and an additional \$1 million, fully offset from the Contingency Fund, for necessary Year 2000 computer system changes.

ONTARIO FINANCES

DETAILS OF IN-YEAR CHANGES

PUBLIC DEBT INTEREST

- ◆ Public Debt Interest is projected at \$9,161 million, down \$16 million from First Quarter Ontario Finances and down \$53 million from the Budget forecast. Interest cost savings resulting from lower-than-budgeted interest rates were partially offset by the cost of providing payments to school boards on behalf of municipalities to meet their obligations to school boards during the transition period to a new property tax system.

CAPITAL EXPENSE

- ◆ Capital expense at \$2,344 million is up \$7 million from the Budget Plan and down \$20 million from First Quarter Ontario Finances. Major changes this quarter are:
 - ◆ Ministry of the Attorney General: An additional \$1 million to implement six new child-friendly courts.
 - ◆ Ministry of Community and Social Services: An increase of \$3 million consistent with the treatment of capital leases in the Public Accounts.
 - ◆ Ministry of Municipal Affairs: A reduction of \$20 million in expense for last winter's ice storms in Eastern Ontario as these costs were expensed in 1997-98; and savings of \$13 million in the Canada-Ontario Infrastructure Works program due to faster-than-expected completion of projects, which was reflected in final 1997-98 expense.
 - ◆ Ministry of Natural Resources: An additional \$2 million for capital leases.
 - ◆ Ministry of Transportation: An additional \$7 million in transition funding for one-time grants to address unique local transportation requirements.

ONTARIO FINANCES

ECONOMIC PERFORMANCE

ONTARIO EMPLOYMENT GROWTH CONTINUES IN 1998

- ◆ During the first nine months of 1998, 195,000 jobs have been created in Ontario, compared to the same period last year.
- ◆ The unemployment rate in Ontario was 7.1% in September.

CONSUMER SPENDING ACCELERATES IN SECOND QUARTER

- ◆ Real personal consumption rose 2.3% in the second calendar quarter of 1998 (April-June), the strongest quarterly gain in 12 years.

GROWTH IN ECONOMIC OUTPUT MODERATES IN THE SECOND QUARTER OF 1998

- ◆ In the second calendar quarter of 1998 (April-June period), Ontario real GDP rose 0.8% at annual rates, following 5.8% growth in the first quarter. Labour disruptions in the U.S. auto sector and in the Ontario construction industry accounted for most of the slowdown in economic output.

HOUSING MARKET REMAINS BUOYANT

- ◆ Ontario home resales were up 4.8% in August from a year ago, while Toronto resales in September were 4.5% above year-earlier levels.
- ◆ Toronto-area new home sales are up 5.2% over the first nine months of 1998.

MANUFACTURING SHIPMENTS GROWING

- ◆ Over the first eight months of 1998, Ontario manufacturing shipments rose 3.5% from a year ago.
- ◆ Furniture shipments are up 25.0%, and electrical products shipments have risen 12.3% so far this year.

ONTARIO EXPORTS RISING IN 1998

- ◆ Over the first eight months of 1998, Ontario international merchandise exports increased 6.7% from a year ago.

ONTARIO INFLATION REMAINS LOW IN 1998

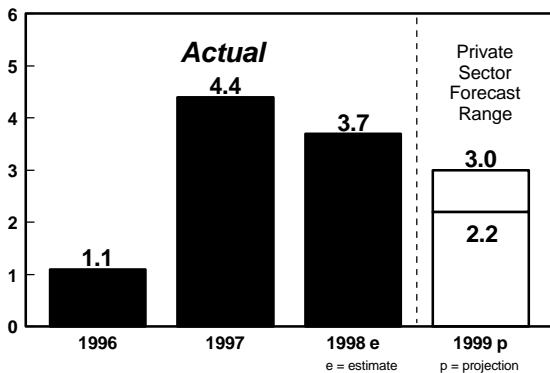
- ◆ Ontario's inflation rate as measured by the Consumer Price Index (CPI) was 0.8% in September (year-over-year).

ONTARIO FINANCES

SELECTED FISCAL INDICATORS

Continued Strong Growth Projected

Real GDP growth, average annual per cent

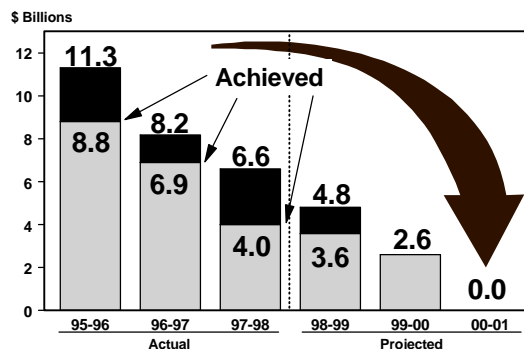


Sources: Statistics Canada, Ontario Ministry of Finance, Survey of Private-Sector Forecasts (October 1998)

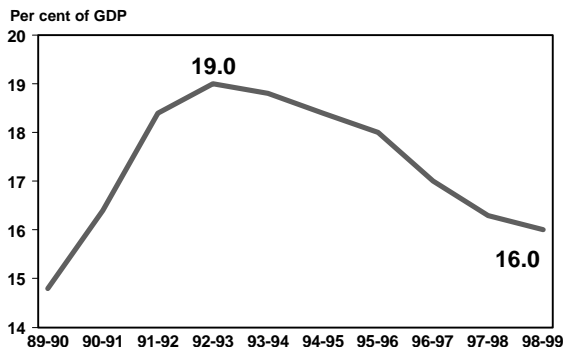
Consumer spending, business investment, housing and exports are all contributing to economic growth. Tax cuts, solid job creation and income gains are providing the basis for the sustained expansion. For 1998, the estimate for real GDP growth is at least 3.7 per cent. This is still a cautious and prudent estimate. On average, private-sector forecasters are expecting real economic growth of four per cent in Ontario this year.

In the fall of 1995 the Government set out its Balanced Budget Plan to eliminate the deficit by the year 2000-01. Ontario remains on track to meet the declining annual deficit targets outlined in the Plan. Based on actual results in the recently released Public Accounts, 1997-98 was the third year in a row that the deficit target has been overachieved. The 1998-99 Balanced Budget Plan deficit target of \$4.8 billion has been cut by \$1.2 billion and is forecast at \$3.6 billion, on track to overachieve for the fourth consecutive year.

Ontario's Balanced Budget Plan on Track



Spending as a Per Cent of GDP



Total spending as a per cent of Provincial GDP rose sharply in the early 1990s. From a peak of 19.0 per cent of GDP in 1992-93, Provincial spending as a share of the economy has been reduced to 16.0 per cent in 1998-99.

ONTARIO FINANCES

RECENT ECONOMIC DEVELOPMENTS

| KEY ECONOMIC INDICATORS | | | | | | | | |
|---|---------|--------|--------------|------|--------|-------|------|-------|
| (% Change from previous period, unless indicated otherwise) | | | | | | | | |
| | | Annual | Quarterly | | | | | |
| | | 1997 | 97:1 | 97:2 | 97:3 | 97:4 | 98:1 | 98:2 |
| Output (Seasonally Adjusted Annual Rate) | | | | | | | | |
| Real GDP | Ontario | 4.4 | 7.0 | 6.3 | 7.0 | 3.0 | 5.8 | 0.8 |
| Nominal GDP | Ontario | 4.8 | 6.3 | 5.5 | 6.3 | 2.5 | 5.9 | 1.5 |
| | | Annual | Monthly 1998 | | | | | |
| | | 1997 | Apr | May | June | July | Aug | Sep |
| Other Indicators (Seasonally Adjusted) | | | | | | | | |
| Labour Markets | | | | | | | | |
| Labour Force (Change in 000s) | Ontario | 76 | 11 | 9 | (16) | 1 | (18) | 64 |
| Employment (Change in 000s) | Ontario | 102 | 23 | 13 | (14) | (3) | (18) | 62 |
| Private Sector | Ontario | 130 | (2) | 2 | (23) | 5 | (21) | 64 |
| Public Sector | Ontario | (28) | 25 | 12 | 9 | (8) | 3 | (2) |
| Unemployment Rate (%) | Ontario | 8.5 | 7.2 | 7.1 | 7.1 | 7.2 | 7.2 | 7.1 |
| Household Sector | | | | | | | | |
| Retail Sales | Ontario | 7.8 | 2.4 | 1.7 | (2.3) | 1.0 | 0.6 | N/A |
| Urban Housing Starts (000s) | Ontario | 50.0 | 52.4 | 49.1 | 46.1 | 38.9 | 48.5 | 47.7 |
| New Home Sales* | Toronto | 30.6 | 30.7 | 12.6 | 16.1 | 9.0 | 36.0 | (8.4) |
| MLS Home Sales* | Ontario | 1.9 | (7.7) | 4.2 | 11.1 | 4.2 | 4.8 | N/A |
| Manufacturing Shipments | | | | | | | | |
| Transportation Equipment | Ontario | 12.7 | (3.0) | 0.2 | (19.7) | (9.1) | 37.4 | N/A |
| Consumer Price Index: All Items | Ontario | 1.9 | 0.6 | 1.1 | 0.7 | 0.9 | 0.6 | 0.8 |

Sources: Statistics Canada, Ontario Ministry of Finance, Canada Mortgage and Housing Corporation, Toronto Real Estate Board, Canadian Real Estate Association, Ward's Automotive.

* % change from a year earlier

ONTARIO FINANCES

FINANCIAL TABLES

REVENUE

| (\$ Millions) | Actual 1997-98 | 1998-99 | | |
|--|-------------------|----------------|--------------------|-------------------|
| | | Budget Plan | Current Outlook | In-Year Change |
| TAXATION REVENUE | | | | |
| Personal Income Tax | 16,293 | 14,635 | 16,085 | 1,450 |
| Retail Sales Tax | 10,843 | 11,435 | 11,435 | -- |
| Corporations Tax | 7,456 | 7,600 | 7,600 | -- |
| Employer Health Tax | 2,851 | 2,780 | 2,780 | -- |
| Gasoline Tax | 2,028 | 2,045 | 2,045 | -- |
| Fuel Tax | 563 | 600 | 600 | -- |
| Tobacco Tax | 425 | 470 | 470 | -- |
| Land Transfer Tax | 565 | 580 | 580 | -- |
| Mining Profits Tax | 40 | 50 | 50 | -- |
| Race Tracks Tax | 4 | 6 | 6 | -- |
| Preferred Share Dividends Tax | 60 | 55 | 55 | -- |
| Other Taxation | 73 | 190 | 190 | -- |
| | 41,201 | 40,446 | 41,896 | 1,450 |
| GOVERNMENT OF CANADA | | | | |
| Canada Health and Social Transfer | 3,970 | 3,950 | 3,480 | (470) |
| Bilingualism Development | 49 | 40 | 40 | -- |
| Young Offenders Act | 59 | 59 | 59 | -- |
| Vocational Rehabilitation | 53 | 46 | 46 | -- |
| Canada-Ontario Infrastructure Works | 116 | 92 | 92 | -- |
| Social Housing | 387 | 353 | 353 | -- |
| Other | 464 | 388 | 265 | (123) |
| | 5,098 | 4,928 | 4,335 | (593) |
| INCOME FROM GOVERNMENT ENTERPRISES | | | | |
| Ontario Lottery Corporation | 714 | 840 | 840 | -- |
| Liquor Control Board of Ontario | 745 | 760 | 760 | -- |
| Ontario Casino Corporation | 771 | 915 | 915 | -- |
| Other | 61 | (77) | (77) | -- |
| | 2,291 | 2,438 | 2,438 | -- |
| OTHER REVENUE | | | | |
| Vehicle/Driver Registration Fees | 820 | 915 | 915 | -- |
| Other Fees and Licences | 616 | 570 | 574 | 4 |
| Liquor Licence Board of Ontario Revenues | 506 | 510 | 510 | -- |
| Royalties | 286 | 265 | 265 | -- |
| Sales and Rentals | 582 | 480 | 470 | (10) |
| Fines and Penalties | 174 | 40 | 40 | -- |
| Local Services Realignment - Reimbursement of Expenditure | 519 | 2,261 | 2,261 | -- |
| Miscellaneous | 395 | 537 | 510 | (27) |
| | 3,898 | 5,578 | 5,545 | (33) |
| TOTAL REVENUE | 52,488 | 53,390 | 54,214 | 824 |

OPERATING EXPENSE

| (\$ Millions) | | 1998-99 | | |
|---|-------------------|----------------|--------------------|-------------------|
| MINISTRY | Actual 1997-98 | Budget Plan | Current Outlook | In-Year Change |
| Agriculture, Food and Rural Affairs | 306 | 340 | 343 | 3 |
| Farm Tax Rebate | 158 | -- | -- | -- |
| Attorney General | 680 | 733 | 735 | 2 |
| Board of Internal Economy | 113 | 121 | 121 | -- |
| Citizenship, Culture and Recreation | 280 | 307 | 316 | 9 |
| Community and Social Services | 7,989 | 7,848 | 7,834 | (14) |
| Consumer and Commercial Relations | 92 | 133 | 136 | 3 |
| Economic Development, Trade and Tourism | 194 | 170 | 203 | 33 |
| Education and Training | 7,700 | 10,204 | 10,510 | 306 |
| Teachers' Pension Plan | 1,443 | 61 | 61 | -- |
| School Board Transition | 224 | 117 | 161 | 44 |
| Energy, Science and Technology | 69 | 161 | 142 | (19) |
| Environment | 142 | 143 | 156 | 13 |
| Executive Offices | 14 | 19 | 19 | -- |
| Finance - Own Account | 690 | 691 | 702 | 11 |
| Public Debt Interest | 8,729 | 9,214 | 9,161 | (53) |
| Community Reinvestment Fund | 169 | 677 | 677 | -- |
| Restructuring and Other Charges - Unallocated | -- | -- | 400 | 400 |
| Health | 18,321 | 18,682 | 18,950 | 268 |
| Health Care Restructuring | 532 | -- | -- | -- |
| Intergovernmental Affairs | 5 | 4 | 4 | -- |
| Labour | 87 | 111 | 76 | (35) |
| Management Board Secretariat | 352 | 348 | 363 | 15 |
| Public Service/OPSEU Pension Plan | (86) | (100) | (100) | -- |
| Contingency Fund | -- | 830 | 680 | (150) |
| OPS Employee Severance | (159) | -- | -- | -- |
| Retroactive Pay Equity Payments | 140 | -- | -- | -- |
| Special Circumstances Fund | -- | 77 | 77 | -- |
| Municipal Affairs and Housing | 2,395 | 1,728 | 1,607 | (121) |
| Municipal Capital and Operating Restructuring Fund | 23 | -- | -- | -- |
| Municipal Restructuring Fund | 71 | -- | -- | -- |
| Native Affairs Secretariat | 10 | 9 | 10 | 1 |
| Natural Resources | 405 | 388 | 456 | 68 |
| Northern Development and Mines | 62 | 100 | 100 | -- |
| Office of Francophone Affairs | 2 | 3 | 3 | -- |
| Office Responsible for Women's Issues | 18 | 21 | 21 | -- |
| Solicitor General and Correctional Services | 1,173 | 1,188 | 1,209 | 21 |
| Transportation | 709 | 499 | 500 | 1 |
| Restructuring/Municipal Capital and Operating Restructuring Fund | 50 | -- | -- | -- |
| TTC Five Year Capital Transfer | 829 | -- | -- | -- |
| Year-end Savings | -- | (200) | (200) | -- |
| TOTAL OPERATING EXPENSE | 53,931 | 54,627 | 55,433 | 806 |

CAPITAL EXPENSE

| (\$ Millions) | | 1998-99 | | |
|--|-------------------|----------------|--------------------|-------------------|
| MINISTRY | Actual 1997-98 | Budget Plan | Current Outlook | In-Year Change |
| Agriculture, Food and Rural Affairs | 1 | 3 | 3 | -- |
| Attorney General | 47 | 91 | 92 | 1 |
| Citizenship, Culture and Recreation | 7 | 5 | 5 | -- |
| Community and Social Services | 51 | 20 | 23 | 3 |
| Economic Development, Trade and Tourism | 3 | - | - | -- |
| Education and Training | 380 | 379 | 379 | -- |
| Energy, Science and Technology | - | 45 | 45 | -- |
| Environment | 98 | 51 | 51 | -- |
| Municipal Capital and Operating Restructuring Fund | - | 29 | 29 | -- |
| Finance | 7 | 1 | 1 | -- |
| Health | 106 | 471 | 471 | -- |
| Management Board Secretariat | 80 | 10 | 10 | -- |
| Municipal Affairs and Housing | 152 | 91 | 58 | (33) |
| Native Affairs Secretariat | 11 | 12 | 12 | -- |
| Natural Resources | 209 | 29 | 29 | -- |
| Northern Development and Mines | 173 | 179 | 179 | -- |
| Solicitor General and Correctional Services | 12 | 72 | 73 | 1 |
| Transportation | 1,186 | 849 | 884 | 35 |
| TOTAL CAPITAL EXPENSE | 2,523 | 2,337 | 2,344 | 7 |

RESTRUCTURING AND OTHER CHARGES

| (\$ Millions) | 1998-99 |
|---|------------|
| 1998-99 Budget Provision | 194 |
| Changes This Quarter | |
| Special Circumstances Fund: Reallocated to Programs | (77) |
| Increase in School Board Transition Costs | <u>44</u> |
| Net Changes | (33) |
| Increased Provision this Quarter | <u>400</u> |
| Total Restructuring and Other Charges | 561 |
| Allocation: | |
| School Board Transition Costs | 161 |
| Unallocated / Still to be Distributed | <u>400</u> |
| TOTAL | 561 |

STATEMENT OF FINANCIAL TRANSACTIONS

| (\$ Millions) | Actual 1997-98 | 1998-99 | | |
|----------------------------------|-------------------|----------------|--------------------|-------------------|
| | | Budget Plan | Current Outlook | In-Year Change |
| Deficit | 3,966 | 4,224 | 3,563 | (661) |
| Cash Timing Adjustments | 197 | 3,804 | 3,637 | (167) |
| Net Cash Requirements | 4,163 | 8,028 | 7,200 | (828) |
| Maturing Debt | 5,792 | 5,820 | 6,035 | 215 |
| Borrowing on Behalf of Agencies | (128) | 286 | 130 | (156) |
| Total Financing Requirements | 9,827 | 14,134 | 13,365 | (769) |
| Financed by: | | | | |
| Decrease in Liquid Reserves | 267 | 3,040 | 3,040 | -- |
| Other Sources | (375) | (66) | (66) | -- |
| Increase in Short-term Borrowing | (1,340) | 1,984 | 1,215 | (769) |
| Long-term Borrowing* | 11,275 | 9,176 | 9,176 | -- |
| TOTAL FINANCING | 9,827 | 14,134 | 13,365 | (769) |

* Including Ontario Savings Bonds

1998-99 FINANCING ACTIVITIES TO DATE

| (\$ Millions) | Issued (as of September 30) | Remaining | % Completed |
|---------------------|--------------------------------|-----------|-------------|
| LONG TERM FINANCING | 6,721 | 2,455 | 73% |

- ◆ Long-term financing undertaken in this quarter totalled \$2,706 million as follows:

| | (\$ Million) |
|--------------------------|--------------|
| Canadian Domestic Market | 1,268 |
| U.S. Market | 1,333 |
| Japanese Market | 105 |
| | 2,706 |

- ◆ Maturing debt was revised upward to reflect redemptions of Ontario Savings Bonds in June and September 1998.
- ◆ Borrowing on behalf of agencies was revised downward to reflect lower loan requirements and principal repayments by government agencies.
- ◆ The Province's total direct debt is forecast to be \$109.8 billion at March 31, 1999, up from \$105.5 billion at March 31, 1998.