

Canada's Ontario in record deficit

by UPI

TORONTO - The Canadian province of Ontario is facing a record \$18 billion deficit for the next two years, the finance minister said in Toronto.

Speaking at a luncheon Tuesday, Finance Minister Dwight Duncan made the disclosure three weeks before he presents the official budget, the Toronto Star reported.

The figure far surpasses the old record of \$12.4 billion from 1992 when the socialist New Democratic Party was in office. Part of their response was a hike in taxes, although Duncan said his Liberal government had no plans for increases later this month.

Once one of the country's most prosperous provinces, Ontario is now considered a "have-not" province, receiving more federal funds than it puts back into the economy. The most recent global recession has hit Ontario hard for unemployment, particularly in the automotive, manufacturing and mining sectors.

Dwight told reporters Ontario has also taken on a share of the federal bail-out of General Motors (NYSE:GM) of Canada and Chrysler Canada, and is also facing a decline in tax revenues, the Star said.

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