



Message from the Minister of Finance

I am proud to present our Government's tenth Budget to the people of Manitoba. This Budget continues our commitment to spending taxpayers' money wisely.

This Budget is historic: we are launching **the first sustained attack on our Province's**

debt since the 1950s. And for the first time in a generation, we have a **surplus for three years running.** We are saying to our children that theirs is a future filled with promise... a future free from the spectre of debt.

This Budget signals an era of opportunity and achievement. There are no new taxes. In line with our Administration's decade-long freeze of major tax rates, there are no tax increases.

A winning economy generates jobs. We are sharing the benefits of growth... building a productive future... working to include everyone in these new opportunities. We are proving that a competitive Manitoba is a prosperous Manitoba. We are proving that **Manitoba is working!**

A strong economy generates revenue to sustain the high-quality social programs Manitobans value. We are protecting health care, education, and family support programs – absorbing the massive, ongoing federal cuts in the Canada Health and Social Transfer.

Our impressive economic performance represents the sum of all our efforts, and all Manitobans deserve the credit. Our government has removed barriers to growth and nourished a climate of confidence.

As Premier Filmon has stressed, we desire growth not for its own sake, but to improve the quality of life for Manitobans. As a government, we must continue to work to ensure that economic growth continues and all Manitobans have the opportunity to reap the benefits of a strong, stable economy. This is our pledge to all the people of Manitoba.

Eric Stefanson

A Winning Economy

Creates more *JOBS* . . .

Sustains caring social programs . . .

Frees future generations from debt . . .



- 20,800 more jobs in Manitoba than one year ago: mostly full-time, all private-sector jobs.
- Housing starts up 18% – improving Manitobans' quality of life and contributing to employment.
- Manufacturing shipments: an engine of growth; up 8% in 1996 – about three times the national rate.
- Retail sales up 6.1% – more than twice the national rate.
- A record year for farmers in 1996: farm cash receipts jumped 13%, the highest increase since 1979.
- Since late 1995, four new mines have opened up; another to open in a few months.
- Impressive successes in US and other markets: exports up 10% last year alone; exports to the US doubled since 1990.
- Private investment rose 19% in 1996. Manitoba is the only province to record rising private investment in each of the past five years.

The 1997 Budget is available on the Internet at <http://www.gov.mb.ca/finance> and by special arrangement in alternative formats for the visually impaired.

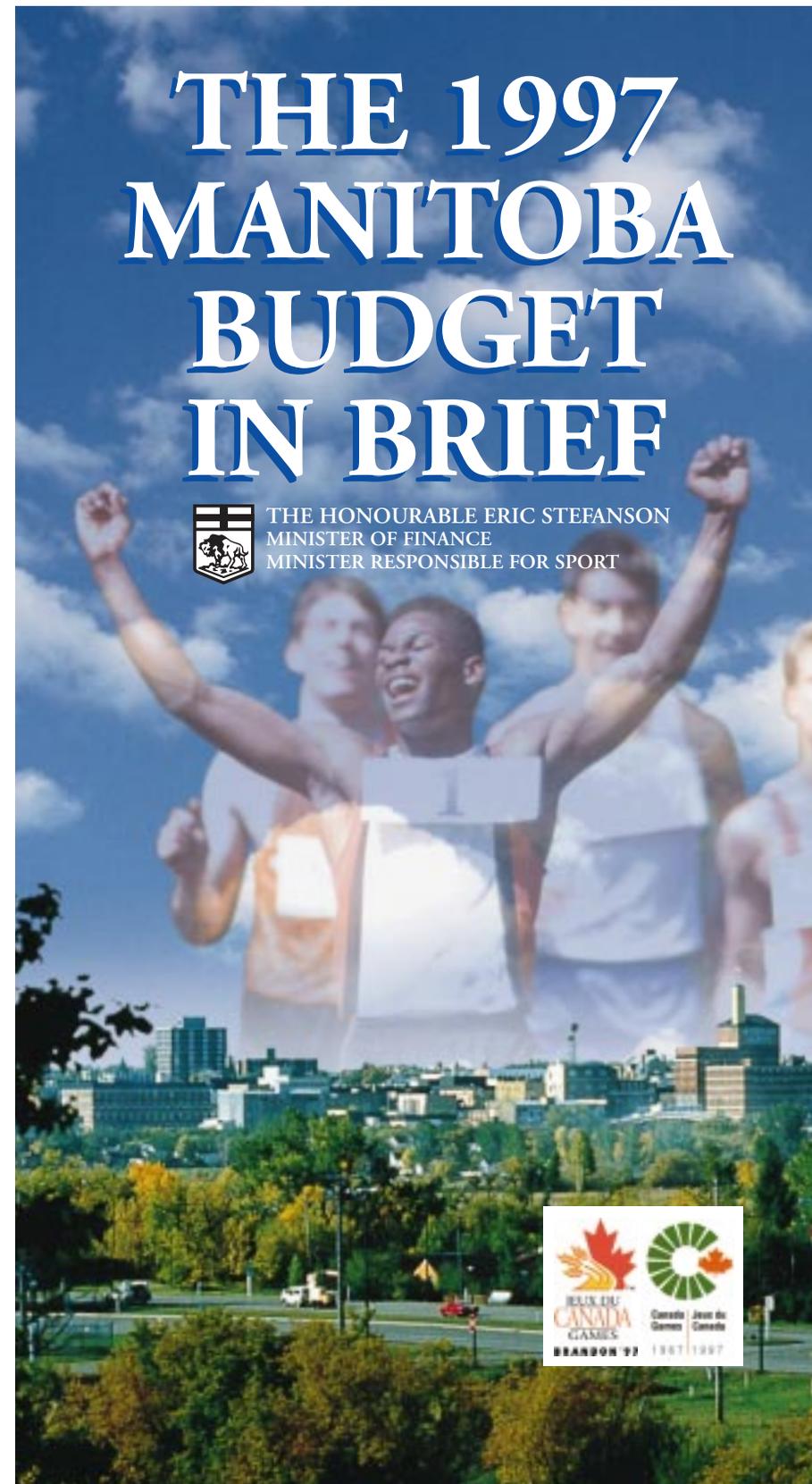
Offert en français.



THE 1997 MANITOBA BUDGET IN BRIEF



THE HONOURABLE ERIC STEFANSON
MINISTER OF FINANCE
MINISTER RESPONSIBLE FOR SPORT



Manitoba is Working!

✓ Manitoba's *Winning Economy*: Stronger, Confident, Competitive!

- Balanced budgets three years in a row for the first time in a generation. This leads to job creation and sustains social services: health, education, and services to families.
- Provision for the first \$75 million repayment of our accumulated debt: lifting the burden of debt from our children's shoulders.
- 20,800 more jobs in Manitoba than a year ago. New jobs are being created.
- Manitoba's unemployment rate is second-lowest in the country, with youth unemployment almost five points below the national rate. More young people are finding jobs and staying here in Manitoba.
- Canada's longest running tax freeze: a full decade without increases in major tax rates.

✓ Meeting Manitobans' health care needs now and in the future

- Modernizing health care: ensuring separate facilities and programs work together as a co-ordinated system.
- Home Care budget two-and-one-half times the 1988 level: \$103 million to shift care-giving from high-cost institutions into people's own homes.
- \$150 million – gained from the proceeds of the MTS sale – to reduce the debt owed by hospitals and personal care homes.
- \$1.3 million for a new *Aboriginal Health and Wellness Centre*.

✓ Investing in people

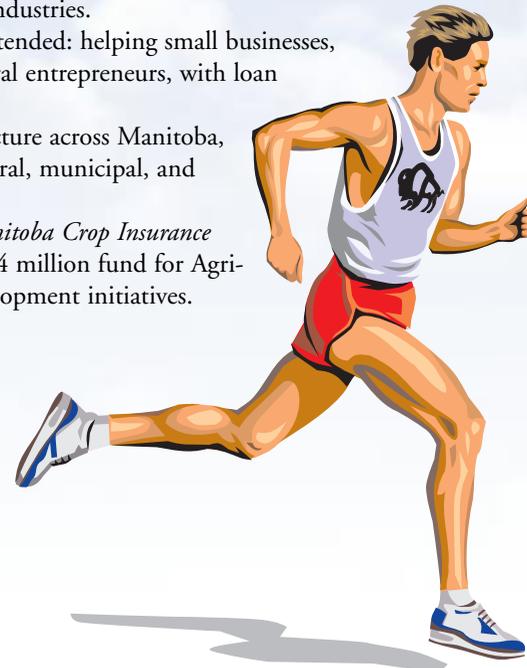
- *ChildrenFirst*: a new \$500,000 fund will help develop ways to improve the lives of children and their families.
- \$300,000 to develop a child nutrition program in partnership with community agencies.
- \$8.9 million to help people make a successful transition into the work force from social assistance.
- Funding to launch *Partners for Careers*: a program to help Aboriginal high school, college, and university graduates get jobs.
- Safer Communities: continued funding for 40 police officers on Winnipeg streets.

✓ Education: Preparing our children for the jobs of the future

- Our path to education renewal: ensuring our children can read, write, compute, and problem-solve at a high level. Increased emphasis on language arts, mathematics, and science; world-class standards and testing; more parental involvement.
- Stable operational funding for school divisions through 1998/99.
- \$24 million for school construction, upgrading, and repair; plus additional funds to put more computers in classrooms.
- \$1 million of new funding for scholarships and bursaries for students at universities and community colleges.
- \$17.3 million direct support to students and their families through the *Manitoba Learning Tax Credit*.

✓ Economic Development: Jobs for Manitobans

- Extension of sales tax rebate for first-time new homebuyers.
- Corporation Capital Tax exemption for small business increased from \$2 million to \$3 million.
- Payroll tax exemption level increased to \$1 million; over 90% of employers are now free of this tax.
- Extension of *Manufacturing Investment Tax Credit* for three years.
- *Manitoba Film and Video Production Tax Credit*: creating jobs by supporting our cultural industries.
- *Business Start* program extended: helping small businesses, especially women and rural entrepreneurs, with loan guarantees.
- \$66 million for infrastructure across Manitoba, in co-operation with federal, municipal, and other partners.
- Support for farmers: *Manitoba Crop Insurance* enhanced, and a new \$3.4 million fund for Agri-Food Research and Development initiatives.

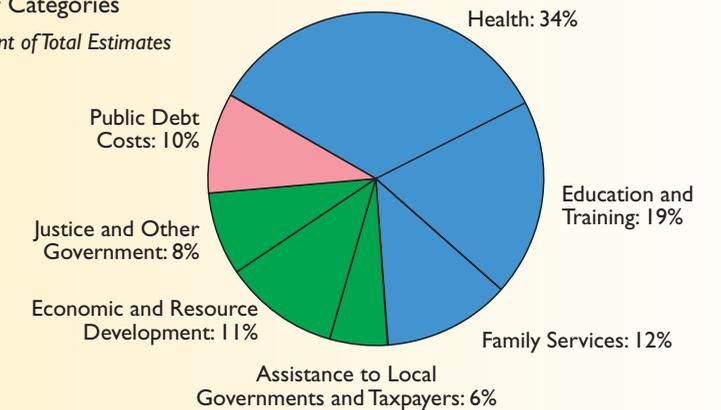


Fiscal Highlights

Provincial Expenditure, 1997/98

Major Categories

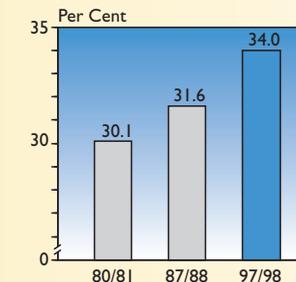
Per Cent of Total Estimates



Health, Education & Training, and Family Services: Over 65% of Manitoba's Budget.

Health Care – Our Priority

Per Cent of Total Spending, 1980/81, 1987/88 and 1997/98



Out of every dollar in this Budget, 34 cents is dedicated to health care. This is the highest share in all of Canada.

Federal Health and Social Transfer Reductions

We are using the Province's savings account to offset deepening federal cuts to the Canada Health and Social Transfer this year. Over five years these cuts total \$1.178 billion.

