

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8 p.m., Tuesday, April 13, 1976

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to welcome everyone in the gallery including a Brownie Pack 141st from the constituency of the Minister of Labour, Transcona constituency. Let me welcome you all this evening.

The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I understand, Sir, that under the rules as of last year it is necessary to move a motion first and then speak to it. Accordingly, Sir, I move, seconded by the Honourable the Minister of Urban Affairs that you, Sir, do now leave the Chair and the House resolve itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

MOTION presented and carried.

COMMITTEE OF WAYS AND MEANS  
BUDGET ADDRESS

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker and honourable gentlemen, 1976 thus far has been the year of rather draconian budgets in most provinces in Canada, with the exception of the oil provinces, and it is in that context that I invite honourable members' attention here this evening.

In recent years governments throughout the western world have faced a broad range of increasingly difficult challenges which have raised serious questions about the viability of basic institutions and the effectiveness of at least some of our traditional fiscal and economic policy instruments.

Here in Canada we have experienced a year of severe economic pressure, and only now does it appear that the country may be in the initial stages of gradual, and I emphasize, gradual recovery.

The Manitoba Government's primary budget objectives for the 1976/1977 fiscal year are to do what we can through policy to sustain this recovery in our province, to support and strengthen anti-inflation measures, and to create new jobs to ensure that our human and natural resources are utilized to near full availability.

Unlike those who might advocate simplistic and unrealistic solutions to our country's economic problems, our government believes that the real answer will not be found in negativism or in the abrogation of governmental responsibility in society. We have long advocated a new kind of co-operation and systematic planning involving working people, farm groups, business, governments and others directly in the decision making areas affecting Canada's future development priorities. We will continue to seek the implementation of this kind of open co-operative planning system at the national level as a replacement for the current anti-inflation program when it is phased out.

In the meantime, our administration intends to do all that it can, within the limited range of options available to us at the provincial level, to make certain that the people of Manitoba are served by a government that places their interests first, and is committed to seeing that their requirements are met, at least as well as in the past and hopefully even better.

Our 1976 Budget will prove that despite national pressures and uncertainties, and there certainly have been those, responsible, prudent Budget planning based on social democratic principles can do much to assure significant gains for the citizens in our province in the coming year - and gains in particular in per capita disposable income terms for those in average and below-average income circumstances.

Of course, with the current economic situation, annual improvements will not be as dramatic as we would wish. It would be unrealistic and unfair to suggest otherwise. Of necessity, many important expenditures will have to be, and indeed are, being limited, and even the most desirable expansion deferred in some cases. And some new fiscal measures will have to be introduced, on a limited and selective basis, to provide funds

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(MR. SCHREYER cont'd) . . . . . to support the highest priority initiatives, to counteract the impact of major reductions in federal financial arrangements, and to reinforce our efforts in Canada's campaign against inflation.

On April 24th last year, when I presented our Budget for 1975, I noted that, and I quote:

"In the year ahead, it appears that Canadians are likely to face a continuation of double-digit inflation, coupled with widespread and growing unemployment . . . if present forecasts turn out to be correct, then Canada's overall economic performance in 1975 may well be the worst in recent memory. In these circumstances, it is inevitable that our provincial economy must be subjected to increasing pressures."

We now know that this was not by any means an exaggeration or overstating of the case. On the contrary, last year inflation in Canada remained above 10 percent, unemployment rose to the highest levels in many a year, and real growth in Canada's economy as a whole was .2 percent.

As was predicted as well, Manitoba's economic performance in large degree but not completely, Sir, but in large degree, reflected the severity of the national situation. However, the diversification inherent in our province's economy, the strength of its economic base, and if I may be allowed, Sir, the effectiveness of the government's fiscal and economic planning enabled our province's economy to keep pace with, and in some cases, important cases, to out-perform the national economic performance as a whole.

For example, the rate of increase in gross provincial product - the sum total of our province's output of goods and services - once again exceeded that of the gross national product of the nation as a whole, reaching a level of approximately \$6.7 billion. This is a full percentage point higher than the growth in Canada's GNP after netting out, and that is really the only way of comparing, Sir, after netting out the impact of inflation, real growth was about one percent, but in any case higher than the national figure of .2 percent.

Last year, overall or actual price levels in Manitoba remained among the lowest in the country according to regular published surveys. In addition, data for the past few months have shown a marked slowdown in price increases in the province. Between December, 1975 and February, 1976, for example, the consumer price index for Winnipeg increased by .5 percent compared to an average increase for the same period for Canada as a whole of .9 percent.

But most important, Sir, the index that means most to me, and I would recommend it for the serious pondering of all honourable gentlemen, is that incomes in Manitoba, including the inflation-squeezed-out measurement known as "constant dollars" measurement - and that is the one, I repeat, that is the only non-misleading guide - showed faster-than-average growth, faster, that is greater than the national average in 1975. Per capita income in our province before taxes grew by 16 percent in current dollar terms, and in uninflated constant dollar terms 4.7 percent last year, compared to 12.9 percent and 1.9 percent for Canada as a whole. That is the measurement that I put the stake on, Sir, an increase in uninflated or deflated constant dollars of 4.7 percent improvement compared to 1.9 for the nation as a whole. This is a rather major point which requires further reference. Per capita, after tax income or disposable income per capita, showed an even larger increase, 16.8 for Manitoba in current dollars and 5.4 percent in constant inflation-squeezed-out adjusted dollars, alongside national figures of 13.6 percent and 2.5 percent for the nation as a whole. So, Sir, once again, this refutes the false impression that some may have tried to convey that inflation rates and tax levels in Manitoba have placed our citizens at a disadvantage relative to other Canadians. This simply isn't true. The statistics are there to prove it and I will take the liberty, Sir, if not this evening, then tomorrow or Thursday, to circulate copies for all taking a 25 year run in constant dollars and in current dollars of disposable personal income per capita.

Over the last five years, the per capita incomes of Manitobans after taxes have nearly doubled in current dollar terms, and have increased by some 36 percent in real terms after inflation has been netted out. Again in both cases, a performance that compares very favourably with the Canadian average - and even more significant, a performance not even approached by any government in this province in at least 25 years.

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(MR. SCHREYER cont'd) . . . . Tables of this historic reference will be tabled for perusal by honourable members.

The unemployment situation as well has remained, in a relative sense, favourable in our province. The average unemployment rate in 1975 was 3.7 percent under the old statistics of the Canada Labour Force Survey, and under their new mode of calculation or survey it is 4.6 percent, the third lowest of any province in Canada, and below the 7 percent average Canadian rate as indicated under the most recent survey.

In primary resource production, the value of output in Manitoba increased by about 8 percent last year. Mineral resources led the way with an increase of around 10 percent, the total value of production exceeding \$500 million. As an aside observation, Mr. Speaker, I must indicate, also candidly, that the last 12 months have been a period of relatively depressed prices in world metal markets insofar as nickel and copper is concerned, but the prognosis is that some months into 1976, certainly by the end of the second quarter, beginning of the third quarter, that this circumstance should improve for those in that industry.

In manufacturing, Manitoba industries compare favourably well with the Canadian average of performance, the value of shipments increasing by 10 percent, compared to 6.1 percent for the nation as a whole. Output in the machinery industry was particularly encouraging, with a growth rate of 60 percent last year. Machinery shipments were valued at \$236 million dollars in 1975, significantly greater than a few years ago. There is much of this kind of national-provincial economic statistical data for the year just over, Mr. Speaker, and they will be tabled at the conclusion of the address here this evening.

Insofar as the economic outlook for 1976 is concerned, most forecasters are now predicting a gradual recovery for the Canadian economy, but there is growing concern about the pace of this recovery and the possibility that badly-timed or otherwise inappropriate policies could jeopardize the upturn in its critical initial stages, and the Government of Manitoba shares that concern. If any major improvement in the national economic situation is to take place during the balance of 1976, the Federal Government must make a number of important policy decisions, and soon.

First, oil and gas price increase decisions should not be made without reference to the fact that these prices have already increased by at least 125 percent in the last three years. The Government of Canada's own figures show that a \$1.50 per barrel increase in oil and the index increase in the price of natural gas effective July 1 would reduce GNP growth by just about exactly one percentage point, increase the consumer price index by 1½ percentage points and raise the unemployment rate by one third of a percentage point by itself. A \$2.00 per barrel increase, the minimum apparently being sought by the producing provinces, would have an even more damaging effect on the economy, cutting 1.2 percentage points off the GNP growth rate, adding 1.9 percentage points to the CPI, Consumer Price Index, and .4 percentage points or 40,000 persons to unemployment.

Second, the current Anti-Inflation Program should be strengthened and tightened up. Despite assertions by various federal authorities that the program is working, there continues to be widespread concern that it has not been and will not be as effective in curtailing undue escalation in prices, profits, and professional incomes, as it will be in holding down wage and salary increases. This impression has been supported by continuing high bank profit statistics, the apparent total elimination of the export levy as part of that program, the reluctance of the Anti-Inflation Board to publicize its activities on the price, profit, and dividend side, and the loopholes in the guidelines applicable to high income executives and professionals. This is much of the cause of the suspicion, unfortunately I say, unfortunately held by some Canadians that the guidelines are heavily biased to restrain wage earners only. This we can only continue to hope and pray, because I don't know what other alternatives exist, will not be the case. We feel it is important to call on both federal and provincial fiscal and tax measures to offset at least some of this inherent weakness in the guidelines. The Federal Minister of Finance has said that much of his planning for his next budget, which presumably comes next month, will be based on the impact of the program up to now. It is my view that this planning

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(MR. SCHREYER cont'd) . . . . must recognize the apparent inequities of the program, the widely held suspicion of inequity, and deal with them quickly if it is to have any chance of substantial success.

As for Manitoba, the outlook for the remainder of 1976 is reasonably promising. The statistical data I have already outlined for last year indicates that our province did not experience some of the more serious difficulties faced by some other provinces and regions in Canada last year. Consequently, it should follow that we should be in a relatively favourable position to advance now as the expected national recovery now starts to take hold. However, as we must emphasize every year, our own efforts to support balanced expansion are subject to considerable influence by the kind of policies adopted in Ottawa. That is why we look forward to the upcoming Federal Budget with so much concern.

Ottawa's Budget plans, along with a number of other major issues in the field of federal-provincial relations, will be discussed at what seems to be likely a very large number of important Federal-Provincial Ministerial Conferences expected between May and October, perhaps May and November of this year. At the end of April, the western Premiers will be meeting in Alberta this year to consider specific problems affecting the four western provinces. Then, between early May and mid-June, at least one, and possibly two national conferences of First Ministers will be convened to discuss energy pricing crisis and the renegotiation of the current system of federal-provincial fiscal arrangements which expire at the end of this year will be convened to discuss energy pricing and the renegotiation of the current system of federal-provincial fiscal arrangements which expire at the end of this year, as well as most of our major cost-shared program agreements. These meetings are to be followed by a special series of conferences of Finance Ministers and other departmental Ministers, leading up to another general conference of First Ministers in the Autumn.

The significance of these meetings for all provinces, certainly for most, certainly for Manitoba, becomes obvious when it is realized that the financial arrangements and cost-shared programs which will be under discussion during the balance of this year account for approximately half our government's total current budgetary revenues and expenditures, about half of all that is involved here.

At a Finance Ministers' Conference which was held just two weeks ago, the Government of Canada made it clear that it plans certain far-reaching changes in these programs which will result in substantially-reduced levels of federal financial support at the end of this fiscal year.

These cutbacks, if they occur, will only serve to compound the budgetary pressures which the provinces are already experiencing as a result of a series of unilateral program changes which the Government of Canada commenced implementing since 1974. At the last Finance Ministers' Conference, I identified three such changes:

1. Was the decision by the Federal Department of Finance, or shall I say the Government of Canada, to exclude artificially from the equalization formula, from the existing equalization formula, two-thirds of the revenues to the producing provinces from higher oil and natural gas prices. And, Sir, that had an absolutely dramatic impact on the nature of and the workings of that Equalization Formula that was supposed to be intact, operating in place.
2. Was the decision to impose the regressive system, because in most ways it is regressive, the regressive system of income tax indexation; and
3. The decision - which was just announced a few weeks ago, shall I say the tentative decision now - to alter unilaterally, and worse, to alter retroactively - the income tax revenue guarantee formula. This last change has been put in abeyance until the full implications, and ethics, I might add, of such a change can be discussed and appreciated. And I stated that all these three measures were expected to cause a revenue reduction from what otherwise would have been received of approximately \$85 million in the 1975/1976 fiscal year to Manitoba alone, and approaching \$100 million to our province in 1976/1977 - had these changes not taken place.

Of these amounts, roughly \$20 million to \$25 million each year is accounted for

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(MR. SCHREYER cont'd) . . . . . by the new plan to change the revenue guarantee formula. In response to our request at the meeting, the Federal Finance Minister agreed to defer any change in regulations to effect payment cutbacks until after the subject is discussed at the First Ministers' Conference next month. Although this will not help our 1975/1976 position - interim payments have already been made on the basis of artificially-low estimates - I assume that a compromise can and will be reached in order that future losses can be minimized. Indeed, a compromise of 50 percent of retrospective payments as well as of the 1976 proceeds is regarded as necessary for the maintenance of basic ethics in dominion-provincial relations. Later I will deal with this matter in more detail. However, the bulk of our revenue shortfall problem will remain, and it will be aggravated still further by the implementation of unrealistic ceilings on federal contributions towards post-secondary education and medicare, and by withdrawals affecting manpower and regional development programs and federal support for services to treaty Indians.

I would like to make it clear that our government believes certain changes are necessary, all right, to make these programs more effective and efficient. But, we oppose the false restraint represented by the kinds of cutbacks Ottawa has made in this area up to now. These measures have not really cut costs - they have merely shifted them, from the federal budget to provincial budgets - and, in so doing, they have hampered the provinces' efforts to rationalize programming and to improve assistance to local government.

As the negotiations proceed in the months ahead, our government intends to stress this point strongly and to argue that real, lasting economies in national programming can only be achieved through close co-operation between the federal and provincial governments - not through confrontation or abrogation or responsibilities. If there is some way to return to the spirit of co-operative federalism, an expression coined by the late Lester B. Pearson, then now it would seem a time for those of good will in governments across Canada to attempt to do just that, to return to the spirit of co-operative federalism.

Despite the problems caused by the federal cutbacks, however, our government is determined to proceed with our program of provincial-municipal financial reform as quickly as budgetary circumstances permit.

Last year, we announced the details of a new tax sharing plan for municipalities - offering them direct access to revenue sources now available to the province. This plan has generated considerable interest across Canada, indeed it has been discussed in some length at the Canadian Association of Mayors and Municipalities and been favourably commented upon there, and it has been commended as a positive, precedent-setting response to municipal requests for a more equitable division of taxing authority.

This year, we plan to introduce enabling legislation to affirm our offer. This new provincial-municipal tax sharing legislation will authorize the assignment of revenues from 2 percentage points of personal income tax, one percentage point of corporation income tax to municipalities on an unconditional basis for their own budgetary purposes. This plan, which replaces the old system of unconditional grants, will mean total payments of approximately \$17.6 million to municipalities in 1976 - an increase of 31 percent over last year.

The 1976 tax sharing payments will be based on a formula which assigns a basic per capita amount of \$15.30 to all municipalities, along with an incremental payment of \$1.00 or \$2.00 additional per capita depending on population level to assist in meeting police protection and other urban service requirements for those towns and cities not presently already in receipt of provincial assistance for policing costs. In cases where the new formula could provide greater assistance to those individual municipalities already receiving the existing village police protection grants, special adjustments will be made to ensure that they receive the benefit of the larger or more generous of the two formulas, in their case. This could be relevant, for example, to towns under 1,500 population such as Morris and Melita. In addition, the 1976 tax sharing payments will include an interim population growth adjustment factor to take into account the increased costs associated with expansion of population in the faster-growing towns and cities in the province.

The new Provincial-Municipal Tax Sharing Act will also contain provisions to

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(MR. SCHREYER cont'd) . . . . permit municipalities to levy and collect certain other so-called - and I use the term deliberately - so-called "growth taxes", because I find, Sir, if I may say as a parenthetical aside, that any form of tax, including the realty tax, can be made a growth tax by adjusting either one of the two factors. But in any case, Sir, the intent is to make provision in this Provincial Municipal Tax Sharing Act to permit municipalities to levy and collect certain growth taxes and, under specified conditions, to permit the province to enter into tax collection arrangements with the municipalities similar to those now in effect between the federal and provincial governments.

In recent weeks, we have been advised that there is growing interest in this concept at the local level and that at least one municipality is giving active consideration to taking advantage of it in the near future in order to lessen its reliance on property taxation and to increase the overall equity and revenue potential of its tax structure. This is an encouraging development which could have extremely beneficial implications for local property taxpayers. It is estimated, for example, that if the City of Winnipeg were to apply a 5 percent municipal sales tax on liquor purchases, hotel accommodation and restaurant meals, as well as a land transfer tax at the rate of one-half of one percent, such as is the case in at least one other province, the revenue generated by these measures - around \$9 million in a full year - would probably be sufficient to eliminate the need for a general municipal mill rate increase on residential property in the city this year. That is put forward merely as an illustration of the comparative yield of some of these potential revenue sources that could be available to municipalities in the future. But it should be emphasized, Sir, that this is being put forward strictly on a local government-decision basis. It will be up to the municipal governments themselves to decide whether or not they would wish to alter their revenue structure greatly, or slightly, or not at all, and to shift a portion of their costs onto a more - what could be argued to be perhaps a more equitable tax base. We will extend our co-operation, as well as technical assistance if it is requested, to help municipalities study the merits of such a possible course of action.

Of course, the new provincial-municipal tax sharing system is only one element in our overall program of local government finance reform. This year, we are increasing direct operating grants to school divisions by about \$17.1 million, bringing the province's total contribution toward public schools under the Foundation Program to some \$161 million. We have also increased other forms of assistance, such as an addition of \$3.5 million in grants to the City of Winnipeg. This amount includes additional contributions under a revised formula for sharing the costs of urban transit - a formula which, hopefully, will make it possible for the Cities of Winnipeg and Brandon to either restrain or set aside entirely any plans for an increase in fares for public transit.

Finally, we have expanded our property tax credit plan each year since its inception in 1972. At the present time, many thousands of individuals and families across Manitoba are receiving income tax refunds reflecting the increased credit benefits announced last budget. We now estimate that the total property tax relief provided by the Manitoba Property Tax Credit Plan for 1975 will be approximately \$75½ million.

Although the 1976/1977 fiscal year has commenced, and we are two weeks into it, the province's accounts for the last fiscal year ending March 31, will not be closed for another week - it's usually, Sir, as you perhaps know, about the 20th of April. Consequently, it is not yet possible to provide a precise accounting of our year-end position. However, the information which is presently available indicates a 1975-1976 current account deficit of approximately \$11½ million.

A number of factors account for this deficit, including the lower-than-expected income tax revenue guarantee payments from the Federal Government, which I have already referred to. At the same time, however, revenues from certain other sources exceeded original forecasts, thereby helping offset the shortfalls in federal support and enabling the province to meet additional expenditure requirements during the year - notably the \$18 million, approximately, \$18 million Department of Agriculture program to assist cow-calf producers.

Some weeks ago, the government's main estimates of current expenditure for the

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(MR. SCHREYER cont'd) . . . . 1976/1977 fiscal year were tabled for consideration by the Assembly. At that time, in a brief statement, I indicated that these Estimates reflected the results of an extremely rigorous program review which saw original departmental requests reduced by some approximately \$170 million from initial submission or consideration.

Our general restraint policy is evident in the Estimates for every department, by and large. Only the highest priority programs in fields such as agriculture, health, education and assistance to local government have been permitted to expand beyond a minimal amount to allow for the impact of inflation on operating costs. This has kept the rate of increase in our expenditures, I may say, Sir, very deliberately and slowly, well in line with those of other provinces in Canada. I would only ask that, if making comparisons, that the comparisons should be uniform, either budget to budget, or revised to revised, or budget to revised, but the same for every province - and thus avoid the kind of misleading article that appeared in the Financial Times just the other day, comparing budget to revised for nine provinces, and budget to budget for one. Be that as it may, I'm reasonably confident, as indeed my colleagues are, that since we have started from a position as the second lowest spending province in Canada on a per capita basis last year, it seems likely that this position can be maintained in 1976/1977.

At the conclusion of this address tonight, I will table our government's Main Estimates of Revenue for the 1976/1977 fiscal year.

I have already described some of the problems we have had to consider in preparing these Estimates. The revenue guarantee situation is one example. The limit on the equalization of oil and gas revenues is another. And a third is the substantial shortfall in potential income tax yield caused by the simplistic, regressive indexation system, as it applies under the present Income Tax Act of Canada. In addition, unlike the situation in the last two years, we do not have the advantage of a substantial revenue surplus to carry forward to help meet the projected increase in public service costs for 1976/1977, although we have been able to transfer \$2½ million from special reserves built up in recent years.

Of course, these problems are not unique to Manitoba. With few exceptions, the other provincial governments across Canada have experienced similar difficulties in preparing their budgets, and, as a result, they have found it necessary to raise additional revenues through increased taxation. The Government of Manitoba has had to make at least some of those same similar decisions.

In reviewing the taxation options available to us, we took careful note of the increases which the other provinces have introduced this year, as well as a number of additional alternatives. We based our final decisions on three general principles as it would apply to taxation policy:

First - That any tax changes should be related to ability to pay;

Second - For maximum equity, any changes should be applied selectively wherever possible, rather than across-the-board; and

Third - Any changes should be consistent with the general anti-inflation policy of our government, and with the national Anti-Inflation Program as well - and particularly so as to offset to a degree, at least to some small degree, to offset the criticism that the guidelines militate against wages but do not restrain capital returns, dividends, executive income, bank profits, etc. etc. etc.

So in a year of major tax change budgets across Canada, we are still able to avoid general sweeping increases in major taxes, such as the general sales tax, the 1967 general sales tax, or on the major income or corporate tax.

I am pleased to announce that our government has ruled out - and will continue as long as it can, it may not be forever - has ruled out for now any increase in the general sales tax rate or the basic personal income tax rate for 1976. As to whether we can continue to do so - and let me pause, so that this is understood, Mr. Speaker - as to whether we can continue to do so in the future, will depend strictly, I would say will depend entirely, but entirely, on the outcome of federal-provincial negotiations during the rest of 1976; and will depend entirely on the new agreements to be adopted with Ottawa

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(MR. SCHREYER cont'd) . . . . for the period 1977-1982, the next five-year round of agreements on the major cost-shared programs and on the fiscal arrangements.

Of course it goes without saying, as long as there are alternatives, we have no intention of re-introducing medicare premiums this year - or ever - despite the fact that there seems to have been some resurgence of interest in at least some of the provinces in Canada in this rather strange and regressive form of taxation. Instead, we are proposing a series of selective measures which conform to the three principles I have just outlined.

Earlier in my address, I stated that our government believes the Federal Anti-Inflation Program should be strengthened and tightened, particularly as it applies to corporate and bank profits, high income executives and professionals. To a degree, the Federal Government seems to recognize this concern when it decided to apply a special surtax. In proposing this surtax, I want to quote the Federal Minister of Finance, because the words certainly deserve the unqualified endorsement of all thinking Canadians. He said, and I quote:

"In terms of fairness and equity, it is, we believe, only fair that those at the upper end of the income scale, who are able to absorb the impact of rising living costs without undue hardship, should be asked to shoulder some share of the burden . . . it is fair to ask those who already enjoy ample means to make a proportionately greater sacrifice in the national interest."

But what is strange, Mr. Speaker, is that in the unfolding of the Anti-Inflation Program, the necessity of which I personally feel is a matter of great necessity and importance to our country, that the sentiments of the Minister of Finance have been turned around in the actual unfolding and working of the anti-inflation system. Our government most emphatically shares the Federal Minister of Finance's sentiments as thus expressed, and consequently, we feel it would be desirable to complement the Federal Government's plan to improve its equity by implementing a provincial personal income tax surtax. Under our surtax proposal, a gross income level of approximately \$25,000 would be the point at which the surtax would begin to apply for a family of four. The provincial surtax would be \$1.00 at that level; it would increase to \$150 at \$30,000; \$460 at \$40,000; \$792 at \$50,000, etc. A detailed set of examples illustrating the surtax proposal will be included with the text of this address as soon as it is tabled later this evening. I might add, that in no case will the surtax exceed 4 percent of personal income. I rather suspect, Sir, that this proposal - well, it's more than a proposal - that this measure will be attacked by the very same people who have been shouting out with glee at the inception of the anti-inflation guidelines, guidelines which affect them relatively less. Estimates indicate that the surtax will apply to approximately 15,000 Manitoba taxfilers, or roughly 3 percent of the total; or in other words, 97 out of every 100 taxfilers in the province will not be affected by this particular measure.

This surtax will be administered by the income tax collection machinery as it exists. We believe it is appropriate that the surtax should be in effect, in place, for the duration of the Anti-Inflation Program, and for this reason, we will seek legislative authority to apply it for up to three years, to the end of 1978, but it would be subject to termination under the legislation after mid-1977, depending on the future of the Anti-Inflation Program and Manitoba's involvement with it.

In addition to the foregoing, the government believes that large corporations should also be expected to contribute a fairer share towards the costs of meeting essential public services. For this reason, we are proposing an income tax on large corporations, a surtax equivalent to 2 percentage points of taxable profits. Small business as defined under the Federal Income Tax Act will be exempt from this measure. The small business definition covers approximately 80 percent of Manitoba business - those with under \$100,000 of taxable profits a year, up to a cumulative total of \$800,000.

In total, the Manitoba corporation surtax will be approximately half the magnitude of the corporation surtax introduced by the Federal Government in May of 1974, but which they have since removed. For a corporation with \$1 million of taxable income in Manitoba, not income, but taxable income, the surtax will involve \$20,000 in additional tax.



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(MR. SCHREYER cont'd) . . . . . The effective Manitoba income tax rate on large corporations above the \$100,000 level subject to the surtax, will be the combination of the 13 percent income tax rate already in place, plus the 2 percent surtax for a total of 15 percent. I might add that the combined federal-provincial corporation income tax rate on these businesses in excess of that size will be 51 percent. It is interesting that this is lower than the 53 percent which applied in 1972, or the 52 percent which applied in 1973, or the 54.8 percent which applied in 1974. And I emphasize that point, that as a result of changes in the national tax treatment of corporations, that even with this surtax, the end result is still lower than the level of taxation in 1972, 73, 74, 75. This measure also will apply for the period of Manitoba's involvement in the Federal Anti-Inflation Program. We believe that most corporations in Canada are supporting this program, and they should be expected to support it in a way that is visibly equitable as well.

It is estimated that the personal and corporation income surtaxes together will yield \$14.4 million in additional revenues in a full year. The corporation income surtax revenues will be received in the current fiscal year. The balance, however, will not be revenue this year, but the next. But, Mr. Speaker, we must all think of next year, we must all think of the year after that, and many more years down the road we must begin to think of much more than we have been accustomed to. It is fast becoming a patriotic duty that, as Canadians, we think a lot more about the future than we have been accustomed to, realizing at the same time that current life styles built up in the last quarter century make it very difficult.

There is one further change affecting income taxation. I am pleased to announce on behalf of my colleagues, that our government, in order to avoid taxing unrealized income, intends to rebate to individual Manitoba mineral holders any additional Manitoba share of personal income tax paid as a result of the Federal Government's decision to disallow provincial charges as an income tax deduction for 1975. When details of the rebate plan are finalized, letters will be sent to eligible claimants. As to whether or not the Federal Government will do likewise to remedy its part of the same problem, is a decision still resting with Ottawa.

For a number of years, Manitoba has expressed concern about the effectiveness of the current system of corporation income tax in taxing profits earned in Manitoba by national and international concerns. In total, as shown in Statistics Canada's corporation taxation data, the corporate sector across the country pay income tax on under two-thirds of profits. In fact, the latest available information, for 1973, indicates that for the largest corporations, corporate income for tax purposes is barely 50 percent of the profits shown in the companies' own books. In our view, this is substantial indication that the current corporation income tax base requires some overhaul. Our concern was increased when we discovered that a significant number of corporations have been able to adjust their accounts in such a way as to pay absolutely no income tax in the very same year when they reported substantial earnings to their shareholders, and on occasion even increased dividends, while disclaiming tax liability on the returns. But this too is essentially a national issue, so I shall desist, at least for now.

As a means for ensuring that a minimum tax contribution will be made to the people in Manitoba by such businesses operating here, we propose to follow the lead of some other provinces, namely Ontario, Quebec and British Columbia in implementing a capital tax on large commercial operations.

All unincorporated businesses - corner stores, family farms, and so on, will be exempt. In fact, exemptions will be provided for all small business, in the sense that the definition of small business are those businesses with taxable capital of under \$100,000. In addition, co-operatives, credit unions, and family farm corporations, as well as charitable corporations exempt under the Federal Income Tax Act will continue to be exempt. In general, it is those corporations with taxable capital of over \$100,000 engaged in commercial activity, will be subject to this tax.

Now, the rate will be 1/5th of one percent of taxable capital, the same rate now in effect in Ontario, Quebec and British Columbia. The new measure will be in effect for all corporations with fiscal periods ending on or after July 1, 1976. The full tax

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(MR. SCHREYER cont'd) . . . . will apply to these corporations after the enabling legislation is passed and forms are designed and printed. We anticipate that the first payments of tax by these corporations will take place around the end of August. Corporations with fiscal years ending after August 31, 1976, will be required to make an initial payment of tax 15 days before the end of their fiscal year, with a final "clean-up" payment when returns are submitted six months later. The initial payment will be based on estimated taxable capital in place at the end of each corporation's fiscal year.

Perhaps an example of the impact of this tax would be helpful, as follows: At 1/5th of one percent rate, a corporation with \$250,000 in taxable capital would be subject to a payment of approximately \$500; at \$1 million of taxable capital, the payment would be \$2,000. But, an important point, Mr. Speaker, is that, if such a corporation were currently paying income tax, its effective capital tax liability could be cut by more than half by virtue of the fact that the capital tax is deductible for income tax purposes, in terms of tax payable to Ottawa and to the Province of Manitoba. So at the combined federal-provincial large business corporation income tax rate of 51 percent, which is in effect after tonight's Budget, the net additional tax liability for such a company would be reduced to \$980. So it is not an onerous tax by any stretch.

It is estimated that the corporation capital tax will yield approximately \$6.5 million in the current fiscal year and approximately 8 in a full twelve-month period.

In addition to these measures designed to ensure that large businesses operating in our province support a fairer share of the cost of public services, our government also proposes to implement a number of revenue changes designed to encourage conservation of our scarce non-renewable depleting type energy resources.

Perhaps the more obvious example of wrong use of non-renewable depleting fuels, certainly one that is incompatible with the growing conservation ethic - I think it's fair to say it is growing - are the large luxury and so-called high performance cars - many of which provide only a few miles per gallon, after dual carburetion or quadruple carburetion etc., etc. If any use of our limited non-renewable resources is absolutely defenseless, becoming more and more so in our time, this would appear to be one example. With this in mind, we have decided to restructure our system of automobile registration fees to provide an added incentive for the use of smaller cars over larger, heavier cars. Under a new system, therefore, of registration fees which will take effect with the next registration year, next March, the charges will be based on weight instead of wheelbase. The heavier the car, the larger the registration fee. The basic minimum fee, Mr. Speaker, will be \$15.00, an increase from \$12.00, which is sort of the general current base of registration fee, and it will be \$15.00. I might add that this \$15.00 base, it is more or less a present base, has been in effect without change for the last 10 years, so this \$3.00 adjustment in 10 years, I don't believe is undue. For some cars, the registration fees will be actually reduced somewhat. For example, for a 1968 Plymouth Satellite - I don't know if anyone has a Satellite - the revised fee will be - you smile, Sir, I take it you drive such a vehicle; if you do, Sir, you will save yourself \$3.00. But of course, larger heavier cars will be subject to major increases, and I do not try to hide that fact, on the new weight basis. For example, the fee on a 1974 Lincoln Continental Mark IV or Mark V, whatever it's called, will increase to \$99.00 from \$27.00 under the current system.

Mr. Speaker, in case it is felt that there is some discrimination inherent in this proposal, I wish to make it clear that there is no discrimination whatsoever. All cars of equal weight will pay the same fee.

In addition to this change, we are also increasing the registration fees on trucks by 10 percent. Now the rates for trucks I should explain, Mr. Speaker, were last adjusted ten years ago. Absolutely no adjustment in the last ten years despite the fact that the cost of everything has gone up, certainly the cost of goods and services for individuals, families, businesses, governments, no exceptions. And because there has been no adjustment in ten years, an adjustment is being made of 10 percent which, if one likes to look at it in terms of annual average of change, it's one percent per year. And that is commencing with the next registration year.

I should also add that commencing with the next registration year for the sake of

## BUDGET ADDRESS

(MR. SCHREYER cont'd) . . . . consistency and tax record keeping, licensing will be required for slide-in type camper trailers, camper units. This is intended to provide the Department of Highways with better information and control over such units in the same manner as mobile home trailers.

I might add that this item is not a large revenue item. It is being proposed for the sake of records and consistency. The three changes taken in their totality will add about \$4.4 million to provincial revenues in the current fiscal year.

As well as the adjustment to motor vehicle registration fees, a limited number of changes are also proposed for motive fuel taxation. But I would indicate this will not affect the generality of Manitobans. In large measure the changes simply represent a diminution in a provincial refund or rebate, reflecting our view that subsidies or rebates which encourage the use of scarce fossil fuels - perhaps I shouldn't say scarce fossil fuels but by definition, depleting fuels, must be reviewed carefully for consistency with conservation principles.

First, the tax rate on aviation fuel will be increased to 5 cents per gallon from the present 3 cents. Second, the refunds made available for diesel fuel used off-highway are to be reduced from the current 16 cents per gallon to 11 cents per gallon. Which means if the refund is decreased by 5 cents, it really means, Sir, an increase of 5 cents in the gallonage. The applicable tax rate on diesel fuel used in railway locomotives will also be raised by the same amount, from 5 to 10 cents per gallon. Third, to restore the tax rate on bunker fuel and fuel oil used for commercial, non-residential heating, to full equivalency with other energy forms that are taxed under The Revenue Tax Act of 1964. Mr. Speaker, I should explain that they have become disproportionate because certain forms of energy that were taxed starting in 1964 on a percentage basis, so the percentage adjustment has been automatic, while bunker fuel and fuel oil used for commercial heating have been on a flat penny basis. And so, for that reason we have decided to increase the tax rate on bunker fuel to two pennies per gallon and on nonresidential fuel oil, two and a half pennies per gallon. These changes will take effect at midnight on May 16th and are estimated to increase provincial revenues by approximately \$5 million this fiscal year.

Also, there will be a change in the tobacco tax. The standard tax rate will be raised by one-fifth of a cent per cigarette, or a nickel on a pack of 25, bringing . . . Fair enough? I note the moral support in concurrence of the Honourable Member for Swan River and I accept it with alacrity. So therefore, Mr. Speaker, that will bring the total rate to four-fifths of a cent per cigarette. Similar or proportionate increases will apply to other types of tobacco products. The estimated incremental revenue to be realized from this measure will be about \$3 $\frac{1}{2}$  million in the current year.

I should also advise honourable gentlemen that an additional \$10 million in revenue will be received from the Liquor Control Commission as a result of increased mark-ups. The mark-up changes will be implemented in such a way as to be consistent with the current pricing structure. Specific details will be announced - this reads like a sentence out of the Ontario Budget, Sir. Specific details will be announced by the Commission in due course.

Finally, one modification is proposed in the exemptions under the Retail Sales tax. In line with a recent change in Saskatchewan, we propose to end the exemption presently allowed for railway rolling stock effective midnight tonight. It is estimated that this measure will equate the treatment of railways with other transportation modes will yield about half a million dollars in revenue in a full year.

In total the new measures I have just outlined will increase revenues for public service of Manitoba by about \$39 million in the current fiscal year. Of our total estimated revenues for the current year . . . I should say our total estimated revenues for the current year are \$1,163.7 million.

I should like to point out that this total includes an estimate of \$51 million in respect of our province's entitlement under the Income Tax Revenue Guarantee arrangements. This figure provides an allowance of \$21 million to cover half our estimated shortfall for 1975-76 and 1976-77. We believe this amount represents an equitable minimum compromise settlement of the current dispute surrounding the guarantee calculations and we are hopeful, but solemnly so, Mr. Speaker, that the Government of Canada will agree to such a basis of compromise. If Ottawa should agree to go back to the original formula, then of course we will end up in a surplus position, a modest surplus position. If Ottawa does not agree in an even part way, then of course the government will have to consider utilizing special reserve funds to offset part of this unanticipated loss.

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(MR. SCHREYER cont'd)

At the conclusion of my address tonight I will also be tabling Supplementary Expenditure Estimates for 1976-77, totalling approximately \$18½ million. Among the principal items in these estimates are an additional \$2.6 million - of which \$1.6 million is recoverable from Canada - to provide authority for continuing negotiations in respect of program extensions under the Canada-Manitoba Northlands Agreement, or other agreements with the Department of Regional Economic Expansion. That is still under negotiation, Sir.

An additional \$1.1 million - of which \$550,000 is recoverable from the Government of Canada - to enable the Department of Mines, Resources and Environmental Management to finance certain incremental exploration activity.

An additional \$800,000 for the Ministry of Corrective and Rehabilitative Services to provide for the operation of the Winnipeg Public Safety Building and to provide funding for the Alcoholism Foundation.

And an additional \$6.8 million to cover a portion of the increased assistance to school divisions under our Foundation Program as announced by the Minister of Education some weeks ago.

And this is also inclusive of certain initial year funds for the Winnipeg School Division No. 1 to cover admittedly only part of the special costs incurred by that division in trying to cope with problems of education services resulting from immigration and migration families.

I am happy to announce that the Supplementary Estimates also provide for a significant increase of the Manitoba Property Tax, properly called the Education and General Municipal Property Tax Credit Plan for 1976.

This will be the fourth consecutive year that the province has increased the benefits available under this program. You may recall, Sir, that in 1972 we began with an initial maximum credit of \$140 and a general minimum of \$50.00. For 1973 the maximum credit was raised to \$200, the minimum to \$100.00. Also the new Resident Homeowner advance system was introduced to give homeowners the general minimum tax credit immediately as deductions from their property tax bills. For 1974, the maximum was increased to \$250, the minimum to \$150.00. For 1975, the maximum was raised to \$300 and the minimum to \$175.00.

For 1976 we propose to increase the maximum grant or Education and General Property Tax Credit, to \$350, the general minimum of \$200.00.

And so, Mr. Speaker, in a way that we hope does not becloud or in any way muddle or confuse what is the true level of municipal government operating costs and spending and yet at the same time, providing relief to homeowners, we hope that this measure will provide the necessary desired relief on property tax for homes. But in a way that does not artificially subtract from the true cost figures relating to municipal government. It is estimated that for a home assessed at \$6,000 that the \$350 maximum credit is equivalent to a property tax reduction of over 58 mills. The \$200 minimum is equivalent to a 33 mill reduction of the same kind of home.

As in previous years, the newly-expanded \$200 general minimum credit will be made available to eligible resident homeowners on their property tax statements this summer. All such homeowners with taxable incomes of under \$15,000 - equivalent to a gross income of about \$20,000 for a family of four - will be entitled to further benefits up to the new \$350 maximum. These additional benefits may be claimed on income tax returns in the spring of 1977. Any resident homeowner not eligible for the \$200 advance payment on property tax statements, and all tenants, will continue to be able to apply for full benefits when they file income tax.

These increased entitlements will bring the total annual benefits under the Education and General Property Tax Credit Plan for 1976 to \$87½ million, an increase of \$12 million or 16 percent over last year's total amount.

We are including an extra \$5 million in the supplementary estimates to cover the added costs of the Resident Homeowner Advance portion.

There will also be an automatic increase in the benefits available - this is automatic by formula, Mr. Speaker - available under the Cost of Living Tax Credit Plan for 1976 because these credits are calculated in relation to personal income tax exemptions

## BUDGET ADDRESS

(MR. SCHREYER cont'd) . . . . which under the existing Income Tax Act are adjusted upward every year in line with increases in the Consumer Price Index.

The maximum Cost of Living Tax Credit benefits for a family of four - a married taxfiler claiming a spouse and two children under age 16 as dependants - were about \$127 for 1975. For 1976 the maximum is automatically adjusted in that kind of case to \$141.

In total the tax relief provided by the two Tax Credit Plans for 1976 will be \$110.5 million. In last year's Budget it was noted that although these tax credits are shown as expenditures in our Estimates, they are, in reality, tax reductions and are treated as deductions from revenue in the accounts of some other provinces with similar plans. And I serve notice that the Province of Manitoba will be giving careful consideration to do exactly the same in terms of the kind of presentation in our Budget next year so as to reflect more accurately the effect of these transfers and to reflect as well the fact that the bulk of these funds involved never really enter the Provincial Treasury.

With the addition of the \$18.5 million in Supplementary Estimates which I have just announced, the government's estimated current expenditures for the Province of Manitoba for 1976-77 will total \$1,176,000. This represents an increase of about 13.8 percent over the combined Main and Supplementary Estimates for last year. The percentage increase for 1976-77 Estimates over actual expenditures including Main, Supplementary, Special Warrants, will be in the range of 9 percent according to the present calculations.

Having given honourable gentlemen the Revenue Estimates and the current Main and Supplementary Expenditure Estimates, it is by simple calculation clear that we are anticipating a deficit of approximately \$12.8 million on current account this year. We feel that realistically viewed that this is a relatively small current account deficit equivalent to just about exactly one percent of the total budget scale, and that this is consistent with our overall fiscal policy objectives in the context of the kind of year we feel we are entering into.

In just a matter of a few days now, Mr. Speaker, I will be tabling Estimates of the Capital Authority requirement for 1976. But I could indicate that this year's total requirements of \$398 million are approximately \$146 million lower than was the case last year.

Manitoba Hydro requirements have been reduced considerably this year from \$336 million to \$201 million, as have those of the Manitoba Housing and Renewal Corporation and the Manitoba Development Corporation. Total requirements for self-sustaining programs are \$311 million for the current year, compared to \$481 million for the year just ended.

Requirements for direct government programs will be approximately \$87 million. Last week, I might add that the Government of Ontario noted that it did not expect to have to go to the public market to finance any of its direct capital requirements. It certainly could be argued that the same could be said here, although I am not sure I would want to express it quite that way. Off market sources such as the Canada Pension Plan should be sufficient to cover our capital needs for direct departmental capital requirements this year.

But of course it is obvious that we will be going to the public market as well, I think, every other province with the possible exception of the oil provinces, for financing for utilities and for other Schedule A programs. In this connection the recent decision by one of the most highly respected and independent international bond rating agencies to raise our government's credit rating to "Double A" will be particularly valuable. I think it is worth repeating here what the rating agency - Moody's to be specific - stated in its publication known as Bond Survey in September of last year, when it announced the upgrading of Manitoba's credit rating.

And I might add as an aside here, Mr. Speaker, that those who try to suggest that this was the rating agency - there are only two, there's Moody's and Standard and Poor. And the honourable member that tried to imply that Moody's was the one that gave the high credit rating in New York City and therefore its judgement probably would not be that good, that in fact he had it turned the other way around, it was Standard and Poor, not Moody. But I don't want to make a point of that either because we have

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(MR. SCHREYER cont'd) . . . . a double A rating from both and we wouldn't like to lose either. Anyway they said and I quote, and it is, I think significant to put on the record, and I quote the bond survey publication.

"The Province of Manitoba has a diversified economy in which agriculture, mining manufacturing and services all make important contributions. Manitoba has experienced above average growth in recent years.

"Provincial authorities have realistic expectations and good prospects of realizing them.

"The province pursues prudent," and I emphasize prudent, "fiscal policies with relatively small direct financing requirements.

"Net direct debt is moderate and the bulk of guaranteed debt is for well-managed, self-supporting Crown companies.

"The province's financial operations have been," these are not my words, Sir.

"The province's financial operations have been extremely well conducted for several years." --(Interjection)--I can forgive my honourable friend for thinking so, but I must assure him that I really did not write it.

Earlier in my address I stated that our government's budgetary strategy for 1976 is aimed at sustaining our economic recovery, supporting measures to combat inflation, at least to some degree, and creating new employment opportunities, particularly to try to do so in those regions where it is particularly problematic.

I believe that this is a defensible strategy and one which will mean substantial benefits for all our citizens.

Our budget tonight demonstrates the kind of responsible restraint which we feel is consistent with the Anti-Inflation Program and consistent as well with the economic and social priorities of the people of this province as perceived by this government.

The revenue measures we have introduced tonight have been applied selectively and equitably to support essential services on as much as possible ability-to-pay basis while reinforcing the objectives of the conservation ethic and of the national Anti-Inflation Program, and reducing some of the features of unequal restraint as between wage income and corporate and dividend and executive income, on the other hand, and reducing or attempting to reduce to some degree conspicuous consumption on non-essentials. And I do not know if that should be a matter for apologies, Sir. Certainly, personally I do not apologize for attempting in a small faltering way to commence the task of trying to reduce by degree at least conspicuous consumption on non-essentials which has crept more and more into life styles.

Finally, may I add that the increases in assistance to municipal government and school divisions and the enrichment of our property tax credit plan will play a major role in supporting important local government services, and at the same time helping to offset the impact of inflation for Manitobans. This budget will hopefully help strengthen the recovery trend which is already started, and the increased momentum it provides will be reflected in a continuing improvement in our economic position throughout the balance of 1976 and into 1977.

So I conclude, Mr. Speaker, by expressing the hope that while we have come through a couple of years of relative pause the signs are there for reoccurrence of growth, let us hope that if there is growth to our national wealth that it will be applied in a way that is most directed towards those fellow Canadians who are still in need of greater equality of opportunity. Perhaps I could put it that way, and less on conspicuous consumption. (Applause)

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I move, seconded by the Member for Lakeside, that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I have a message from His Honour the Lieutenant-Governor.

MR. SPEAKER: The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba estimates of further sums required for the services of the province for the

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(MR. SPEAKER cont'd) . . . .fiscal year ending March 31, 1977, and recommends these Estimates to the Legislative Assembly.

The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I move, seconded by the Honourable the House Leader, that the said message together with the Estimates accompanying same be referred to the Committee of Supply.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Attorney-General, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 Wednesday afternoon.

SUPPLEMENTARY BUDGET MATERIAL

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| APPENDIX B | - | FINANCIAL STATISTICS   |
| APPENDIX C | - | TAXATION AND TAX CREDIT INFORMATION  |
| APPENDIX D | - | RECENT MINISTERIAL STATEMENTS ON<br>FISCAL AND ECONOMIC MATTERS AND<br>FEDERAL-PROVINCIAL FINANCIAL<br>RELATIONS |



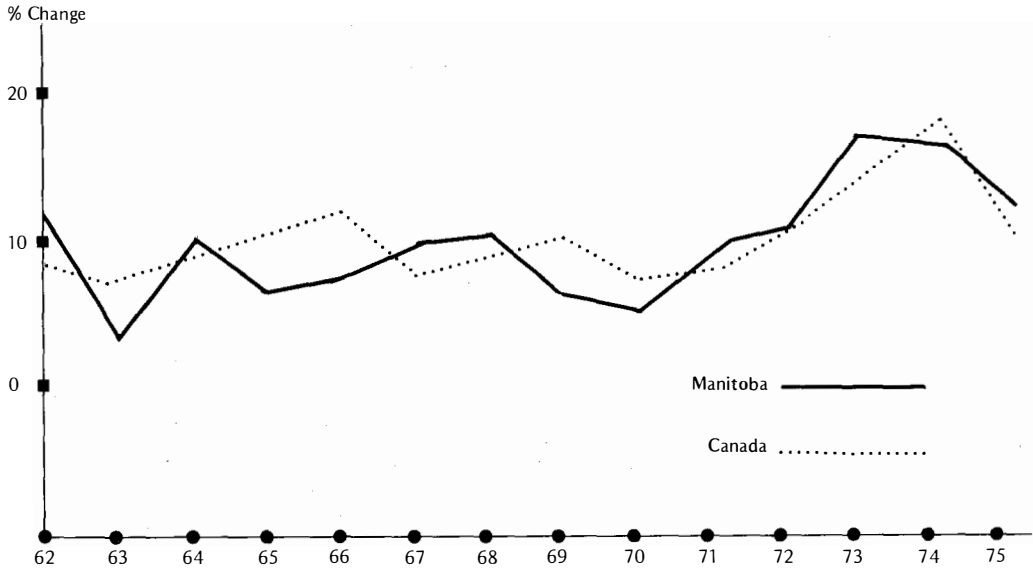
## APPENDIX A - ECONOMIC STATISTICS

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GROSS NATIONAL PRODUCT: CANADA  
ESTIMATED GROSS PROVINCIAL PRODUCT: MANITOBA  
1962 - 1975



(Millions of Dollars)

| Year  | Manitoba's Estimated Gross Provincial Product | Percent Change Relative to the Previous Year | Canada's Gross National Product | Percent Change Relative to the Previous Year |
|-------|---|--|---------------------------------|--|
| 1962  | 2,109   | —  | 42,927                          | —  |
| 1963  | 2,174   | 3.1  | 45,978                          | 7.1  |
| 1964  | 2,394   | 10.1   | 50,280                          | 9.4  |
| 1965  | 2,550   | 6.5  | 55,364                          | 10.1   |
| 1966  | 2,735   | 7.3  | 61,828                          | 11.7   |
| 1967  | 2,994   | 9.5  | 66,409                          | 7.4  |
| 1968  | 3,289   | 9.9  | 72,586                          | 9.3  |
| 1969  | 3,492   | 6.2  | 79,815                          | 10.0   |
| 1970  | 3,674   | 5.2  | 85,685                          | 7.4  |
| 1971  | 4,021   | 9.4  | 93,462                          | 9.1  |
| 1972  | 4,450   | 10.7   | 103,952                         | 11.2   |
| 1973  | 5,174   | 16.3   | 120,438                         | 15.9   |
| 1974* | 6,048   | 16.9   | 140,880                         | 16.8   |
| 1975* | 6,703   | 10.8   | 154,752                         | 9.8  |

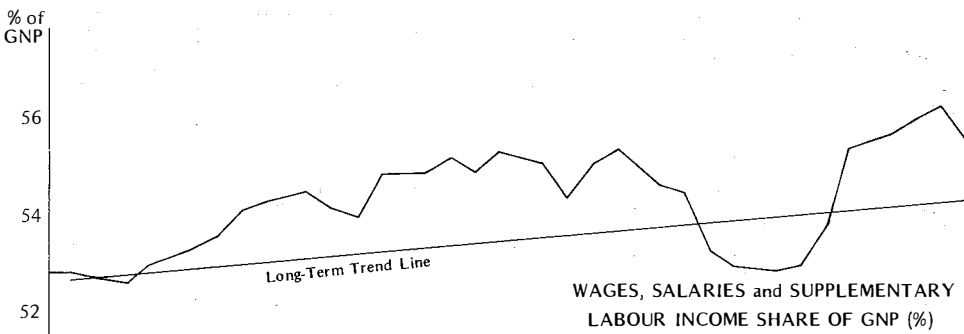
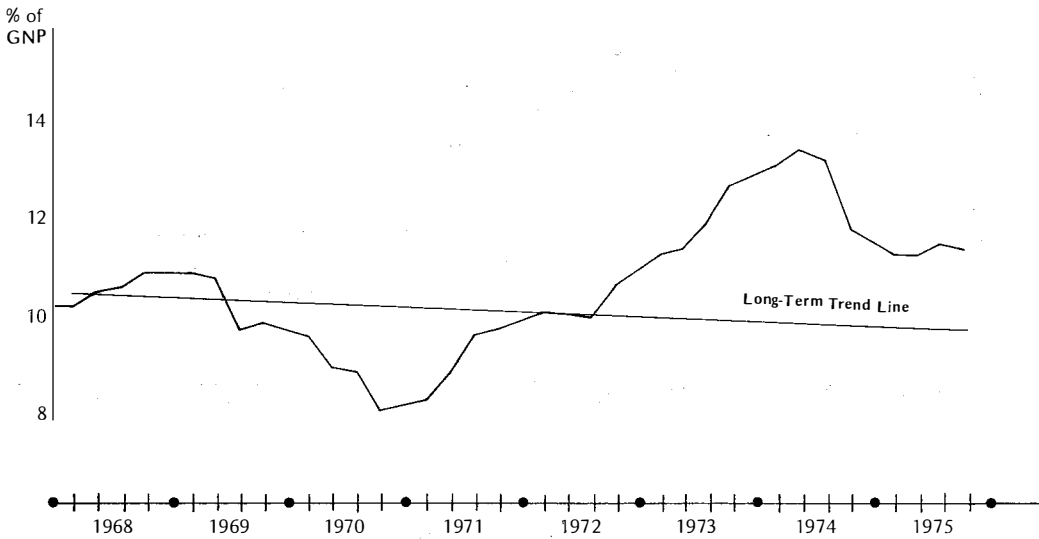
\*Estimated

Note: Data have been revised to accord with updated Statistics Canada series.

Source: Department of Finance/Statistics Canada.

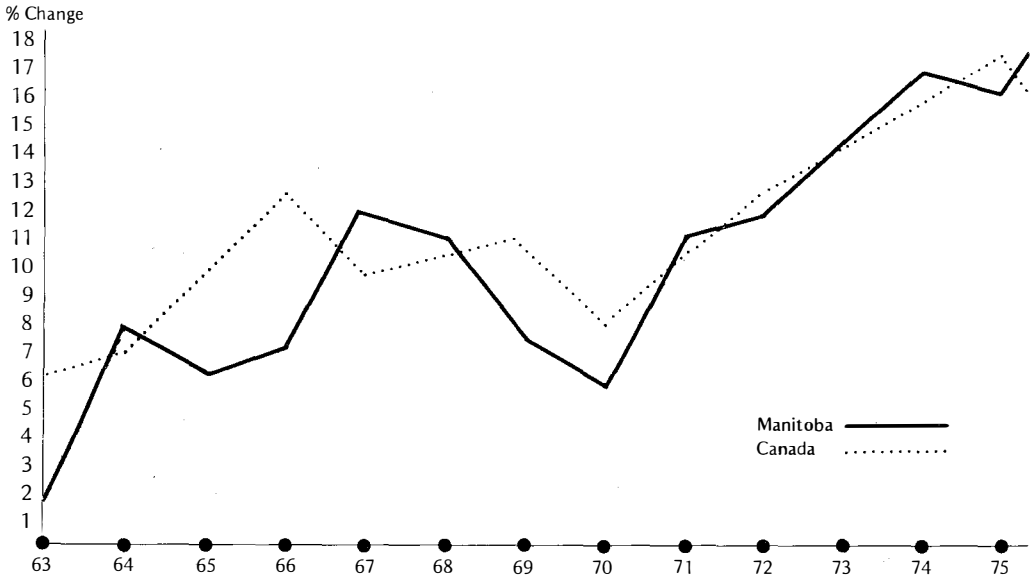
SHARES OF GNP AT MARKET PRICES  
CANADA  
QUARTERLY 1968 - 1975

CORPORATE PROFITS BEFORE TAXES  
SHARE OF GNP (%)



Source: Statistics Canada/Department of Finance

PERCENTAGE CHANGE IN PERSONAL INCOME  
MANITOBA AND CANADA  
1962 - 1975

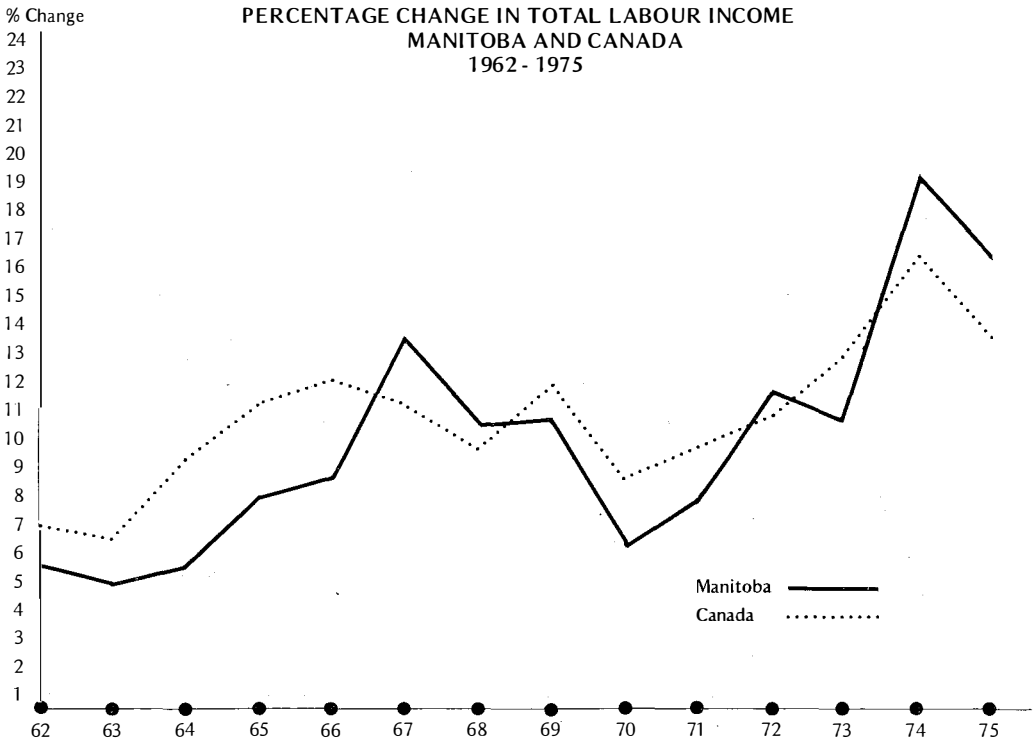


| Year  | Manitoba Personal Income \$ millions | % Change | Canada Personal Income \$ millions | % Change |
|-------|--------------------------------------|----------|------------------------------------|----------|
| 1962  | 1,611                                | —        | 32,788                             | —        |
| 1963  | 1,647                                | 2.2      | 34,829                             | 6.2      |
| 1964  | 1,775                                | 7.8      | 37,282                             | 7.0      |
| 1965  | 1,892                                | 6.6      | 41,071                             | 10.2     |
| 1966  | 2,039                                | 7.8      | 46,094                             | 12.2     |
| 1967  | 2,280                                | 11.8     | 50,579                             | 9.7      |
| 1968  | 2,523                                | 10.7     | 55,677                             | 10.1     |
| 1969  | 2,704                                | 7.2      | 61,804                             | 11.0     |
| 1970  | 2,857                                | 5.7      | 66,633                             | 7.8      |
| 1971  | 3,178                                | 11.2     | 73,876                             | 10.9     |
| 1972  | 3,561                                | 12.1     | 83,189                             | 12.6     |
| 1973  | 4,142                                | 16.3     | 95,487                             | 14.8     |
| 1974  | 4,785                                | 15.5     | 111,469                            | 16.7     |
| 1975* | 5,595                                | 16.9     | 127,886                            | 14.7     |

\*Estimated

Note: Data have been revised to accord with updated Statistics Canada series.

Source: Statistics Canada/Department of Finance.



| Year  | Manitoba Labour Income |                | Canada Labour Income |                |
|-------|------------------------|----------------|----------------------|----------------|
|       | Value \$ millions      | Percent Change | Value \$ millions    | Percent Change |
| 1962  | 955                    | 5.5            | 20,901               | 7.0            |
| 1963  | 1,003                  | 5.0            | 22,267               | 6.5            |
| 1964  | 1,058                  | 5.5            | 24,273               | 9.0            |
| 1965  | 1,143                  | 8.0            | 26,963               | 11.1           |
| 1966  | 1,242                  | 8.7            | 30,162               | 11.9           |
| 1967  | 1,410                  | 13.5           | 33,437               | 10.9           |
| 1968  | 1,557                  | 10.4           | 36,360               | 8.7            |
| 1969  | 1,720                  | 10.5           | 40,765               | 12.1           |
| 1970  | 1,832                  | 6.5            | 44,203               | 8.4            |
| 1971  | 1,980                  | 8.1            | 48,544               | 9.8            |
| 1972  | 2,206                  | 11.4           | 53,893               | 11.0           |
| 1973  | 2,446                  | 10.9           | 60,896               | 13.0           |
| 1974  | 2,912                  | 19.1           | 70,968               | 16.5           |
| 1975* | 3,399                  | 16.7           | 80,858               | 13.9           |

\*Estimate

Source: Statistics Canada

PER CAPITA INCOME COMPARISON  
MANITOBA AND CANADA 1951-75  
CURRENT DOLLARS

|                   | Personal Income Per Capita |             |        |             | Personal Disposable Income Per Capita |             |        |             |
|-------------------|----------------------------|-------------|--------|-------------|---------------------------------------|-------------|--------|-------------|
|                   | Manitoba                   | %<br>Change | Canada | %<br>Change | Manitoba                              | %<br>Change | Canada | %<br>Change |
| 1951              | 1,207                      | 14.5        | 1,199  | 15.2        | 1,127                                 | 14.4        | 1,102  | 13.7        |
| 1952              | 1,261                      | 4.4         | 1,286  | 7.3         | 1,168                                 | 3.6         | 1,170  | 6.2         |
| 1953              | 1,251                      | - 0.8       | 1,317  | 2.4         | 1,151                                 | - 1.5       | 1,194  | 2.0         |
| 1954              | 1,218                      | - 2.7       | 1,290  | - 2.1       | 1,117                                 | - 3.0       | 1,169  | - 2.1       |
| 1955              | 1,279                      | 5.0         | 1,355  | 5.0         | 1,176                                 | 5.4         | 1,231  | 5.4         |
| Change<br>1950-55 | 224                        | 21.2        | 314    | 30.2        | 190                                   | 19.3        | 262    | 27.0        |
| 1956              | 1,419                      | 10.9        | 1,463  | 8.0         | 1,302                                 | 10.7        | 1,325  | 7.6         |
| 1957              | 1,419                      | 0.0         | 1,515  | 3.6         | 1,297                                 | - 0.4       | 1,368  | 3.2         |
| 1958              | 1,545                      | 8.9         | 1,560  | 3.0         | 1,424                                 | 9.8         | 1,424  | 4.1         |
| 1959              | 1,593                      | 3.1         | 1,608  | 3.0         | 1,447                                 | 1.6         | 1,455  | 2.2         |
| 1960              | 1,647                      | 3.4         | 1,656  | 3.0         | 1,489                                 | 2.9         | 1,487  | 2.2         |
| Change<br>1955-60 | 368                        | 28.8        | 301    | 22.2        | 313                                   | 26.6        | 256    | 20.8        |
| 1961              | 1,558                      | - 5.4       | 1,651  | - 0.3       | 1,395                                 | - 6.3       | 1,475  | - 0.8       |
| 1962              | 1,721                      | 10.5        | 1,764  | 6.9         | 1,550                                 | 11.1        | 1,579  | 7.0         |
| 1963              | 1,736                      | 0.8         | 1,840  | 4.3         | 1,562                                 | 0.7         | 1,646  | 4.3         |
| 1964              | 1,851                      | 6.6         | 1,933  | 5.1         | 1,656                                 | 6.0         | 1,713  | 4.1         |
| 1965              | 1,961                      | 5.9         | 2,091  | 8.2         | 1,752                                 | 5.8         | 1,846  | 7.7         |
| Change<br>1960-65 | 314                        | 19.1        | 435    | 26.3        | 263                                   | 17.7        | 359    | 24.1        |
| 1966              | 2,117                      | 8.0         | 2,303  | 10.1        | 1,854                                 | 5.8         | 1,994  | 8.0         |
| 1967              | 2,368                      | 11.8        | 2,482  | 7.8         | 2,047                                 | 10.4        | 2,116  | 6.1         |
| 1968              | 2,598                      | 9.7         | 2,690  | 8.4         | 2,231                                 | 9.0         | 2,262  | 6.9         |
| 1969              | 2,762                      | 6.3         | 2,943  | 9.4         | 2,293                                 | 2.8         | 2,424  | 7.2         |
| 1970              | 2,906                      | 5.2         | 3,129  | 6.3         | 2,383                                 | 3.9         | 2,536  | 4.6         |
| Change<br>1965-70 | 945                        | 48.2        | 1,038  | 49.6        | 631                                   | 36.0        | 690    | 37.4        |
| 1971              | 3,217                      | 10.7        | 3,425  | 9.5         | 2,644                                 | 11.0        | 2,769  | 9.2         |
| 1972              | 3,590                      | 11.6        | 3,813  | 11.3        | 2,968                                 | 12.3        | 3,093  | 11.7        |
| 1973              | 4,150                      | 15.6        | 4,322  | 13.4        | 3,493                                 | 17.7        | 3,501  | 13.2        |
| 1974              | 4,733                      | 14.0        | 4,966  | 14.9        | 3,938                                 | 12.7        | 3,980  | 13.7        |
| 1975 Est.         | 5,491                      | 16.0        | 5,609  | 12.9        | 4,599                                 | 16.8        | 4,521  | 13.6        |
| Change<br>1970-75 | 2,585                      | 89.0        | 2,480  | 79.3        | 2,216                                 | 93.0        | 1,985  | 78.3        |

Source: Department of Finance/Statistics Canada.

PER CAPITA INCOME COMPARISON  
MANITOBA AND CANADA 1951-75  
1961 CONSTANT DOLLARS (CANADIAN C.P.I.)

|                   | Personal Income Per Capita |          |        |          | Personal Disposable Income Per Capita |          |        |          |
|-------------------|----------------------------|----------|--------|----------|---------------------------------------|----------|--------|----------|
|                   | Manitoba                   | % Change | Canada | % Change | Manitoba                              | % Change | Canada | % Change |
| 1951              | 1,372                      | 3.5      | 1,362  | 4.1      | 1,281                                 | 3.4      | 1,252  | 2.9      |
| 1952              | 1,398                      | 1.9      | 1,426  | 4.7      | 1,295                                 | 1.1      | 1,297  | 3.6      |
| 1953              | 1,399                      | 0.1      | 1,473  | 3.3      | 1,287                                 | - 0.6    | 1,336  | 3.0      |
| 1954              | 1,355                      | 3.1      | 1,435  | - 2.6    | 1,242                                 | - 3.5    | 1,300  | - 2.7    |
| 1955              | 1,420                      | 4.8      | 1,504  | 4.8      | 1,305                                 | 5.1      | 1,366  | 5.1      |
| Change<br>1950-55 | 95                         | 7.2      | 196    | 15.0     | 66                                    | 5.3      | 149    | 12.2     |
| 1956              | 1,553                      | 9.4      | 1,601  | 6.4      | 1,425                                 | 9.2      | 1,450  | 6.1      |
| 1957              | 1,505                      | - 3.1    | 1,607  | 0.4      | 1,375                                 | - 3.5    | 1,451  | 0.1      |
| 1958              | 1,596                      | 6.0      | 1,611  | 0.2      | 1,471                                 | 7.0      | 1,471  | 1.4      |
| 1959              | 1,627                      | 1.9      | 1,642  | 1.9      | 1,478                                 | 0.5      | 1,486  | 1.0      |
| 1960              | 1,662                      | 2.2      | 1,671  | 1.8      | 1,503                                 | 1.7      | 1,501  | 1.0      |
| Change<br>1955-60 | 242                        | 17.0     | 167    | 11.1     | 198                                   | 15.2     | 135    | 9.9      |
| 1961              | 1,558                      | - 6.3    | 1,651  | - 1.2    | 1,395                                 | - 7.2    | 1,475  | 1.7      |
| 1962              | 1,701                      | 9.2      | 1,743  | 5.6      | 1,532                                 | 9.8      | 1,560  | 5.8      |
| 1963              | 1,685                      | - 0.9    | 1,786  | 2.5      | 1,517                                 | - 1.0    | 1,598  | 2.4      |
| 1964              | 1,766                      | 4.8      | 1,844  | 3.2      | 1,580                                 | 4.2      | 1,635  | 2.3      |
| 1965              | 1,826                      | 3.4      | 1,947  | 5.6      | 1,631                                 | 3.2      | 1,719  | 5.1      |
| Change<br>1960-65 | 164                        | 9.9      | 276    | 16.5     | 128                                   | 8.5      | 218    | 14.5     |
| 1966              | 1,900                      | 4.1      | 2,067  | 6.2      | 1,664                                 | 2.0      | 1,790  | 4.1      |
| 1967              | 2,052                      | 8.0      | 2,151  | 4.1      | 1,774                                 | 6.6      | 1,834  | 2.5      |
| 1968              | 2,163                      | 5.4      | 2,240  | 4.1      | 1,858                                 | 4.7      | 1,883  | 2.7      |
| 1969              | 2,201                      | 1.8      | 2,345  | 4.7      | 1,827                                 | - 1.7    | 1,931  | 2.5      |
| 1970              | 2,241                      | 1.8      | 2,412  | 2.9      | 1,837                                 | 0.5      | 1,955  | 1.2      |
| Change<br>1965-70 | 415                        | 22.7     | 465    | 23.9     | 206                                   | 12.6     | 236    | 13.7     |
| 1971              | 2,412                      | 7.6      | 2,567  | 6.4      | 1,982                                 | 7.9      | 2,076  | 6.2      |
| 1972              | 2,568                      | 6.5      | 2,727  | 6.2      | 2,123                                 | 7.1      | 2,212  | 6.6      |
| 1973              | 2,759                      | 7.4      | 2,874  | 5.4      | 2,322                                 | 9.4      | 2,328  | 5.2      |
| 1974              | 2,838                      | 2.9      | 2,977  | 3.6      | 2,361                                 | 1.7      | 2,386  | 2.5      |
| 1975 Est.         | 2,971                      | 4.7      | 3,035  | 1.9      | 2,489                                 | 5.4      | 2,446  | 2.5      |
| Change<br>1970-75 | 730                        | 32.6     | 623    | 25.8     | 652                                   | 35.5     | 491    | 25.1     |

Source: Department of Finance/Statistics Canada



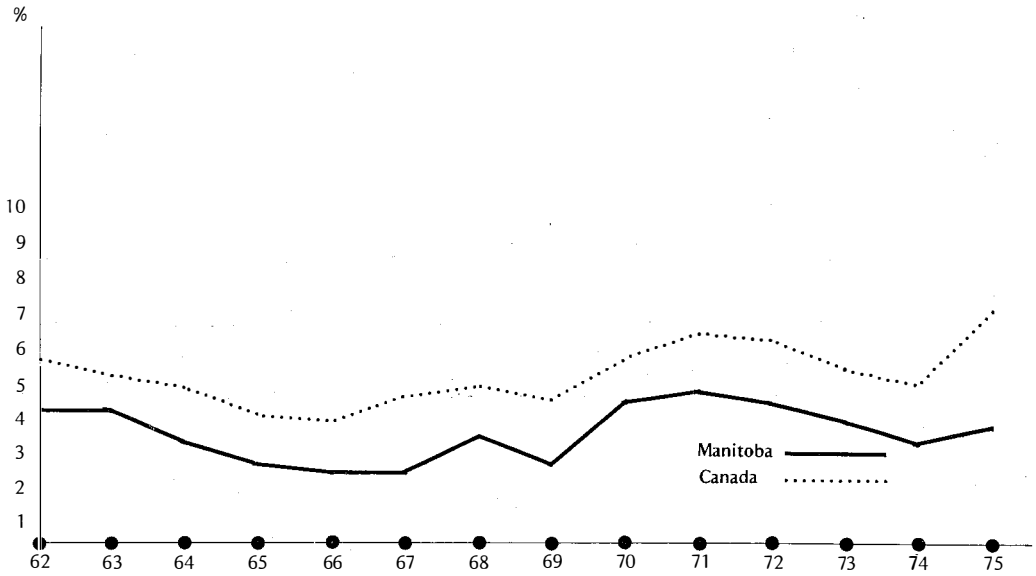
MANITOBA AVERAGE WEEKLY EARNINGS  
1974, 1975 QUARTERLY % CHANGE

|        | Manufacturing | Construction | Industrial Composite |
|--------|---------------|--------------|----------------------|
| 1974 I | 1.6           | 8.5          | 3.5                  |
| II     | 2.2           | 4.7          | 2.9                  |
| III    | 5.5           | 7.9          | 5.2                  |
| IV     | 3.1           | 0.4          | 0.4                  |
| 1975 I | 4.2           | 2.1          | 4.9                  |
| II     | 3.9           | 4.2          | 3.7                  |
| III    | 2.0           | 7.1          | 3.8                  |
| IV*    | 4.8           | 2.6          | 1.8                  |

\*Estimate

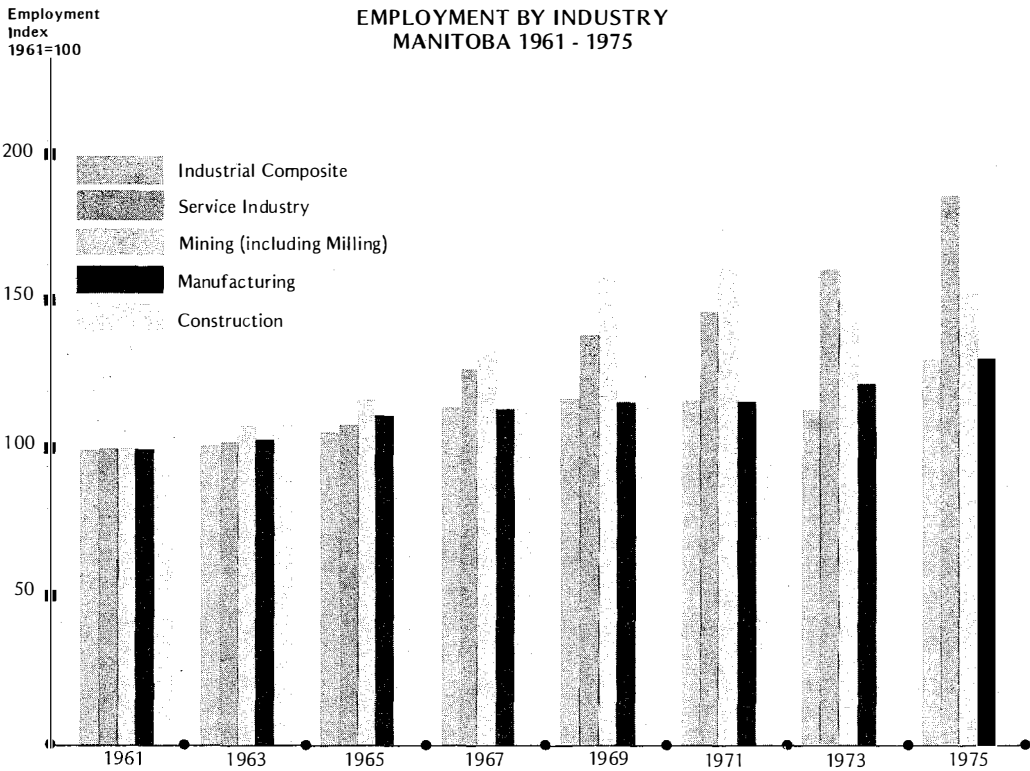
Source: Statistics Canada/Department of Finance

UNEMPLOYMENT RATE  
MANITOBA AND CANADA  
1962 - 1975



| Year | Manitoba's Rate of Unemployment % | Level of Unemployment '000 | Canada's Rate of Unemployment % | Level of Unemployment '000 |
|------|-----------------------------------|----------------------------|---------------------------------|----------------------------|
| 1962 | 4.4                               | 15                         | 5.9                             | 390                        |
| 1963 | 4.4                               | 15                         | 5.5                             | 374                        |
| 1964 | 3.2                               | 11                         | 4.7                             | 324                        |
| 1965 | 2.8                               | 10                         | 3.9                             | 280                        |
| 1966 | 2.5                               | 9                          | 3.6                             | 267                        |
| 1967 | 2.5                               | 9                          | 4.1                             | 315                        |
| 1968 | 3.5                               | 13                         | 4.8                             | 382                        |
| 1969 | 2.7                               | 10                         | 4.7                             | 382                        |
| 1970 | 4.5                               | 17                         | 5.9                             | 495                        |
| 1971 | 4.9                               | 19                         | 6.4                             | 552                        |
| 1972 | 4.5                               | 18                         | 6.3                             | 562                        |
| 1973 | 3.9                               | 16                         | 5.6                             | 520                        |
| 1974 | 3.1                               | 13                         | 5.4                             | 525                        |
| 1975 | 3.7                               | 16                         | 7.1                             | 707                        |

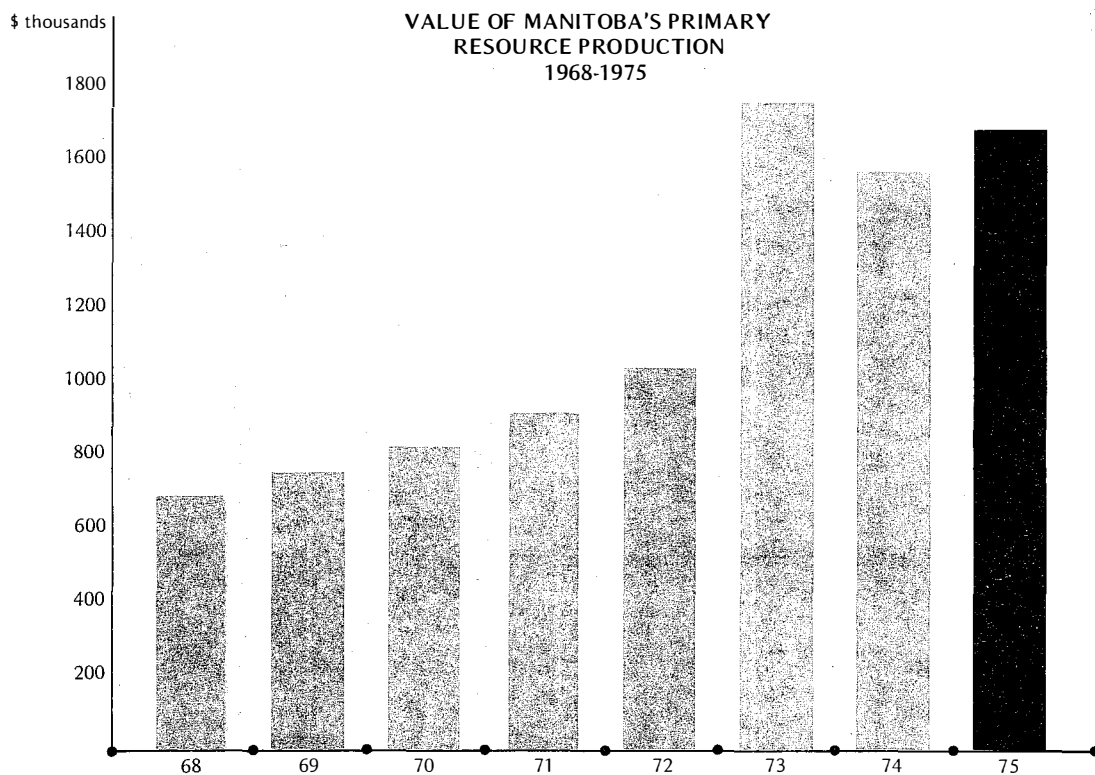
Source: Statistics Canada



|       | Industrial Composite | Service Industry | Mining (Incl. Milling) | Manufacturing | Construction |
|-------|----------------------|------------------|------------------------|---------------|--------------|
| 1961  | 100.0                | 100.0            | 100.0                  | 100.0         | 100.0        |
| 1963  | 101.6                | 102.0            | 109.1                  | 103.7         | 108.5        |
| 1965  | 106.1                | 107.7            | 117.2                  | 110.1         | 100.5        |
| 1967  | 115.0                | 127.6            | 134.5                  | 114.8         | 115.6        |
| 1969  | 118.0                | 139.9            | 159.2                  | 116.3         | 131.0        |
| 1971  | 117.2                | 145.4            | 160.3                  | 116.9         | 98.4         |
| 1973  | 120.0                | 160.2            | 151.7                  | 123.6         | 89.8         |
| 1975* | 130.5                | 186.7            | 154.7                  | 131.7         | 113.9        |

\*Preliminary, based on 11 months' data.

Source: Statistics Canada



Thousands of Dollars

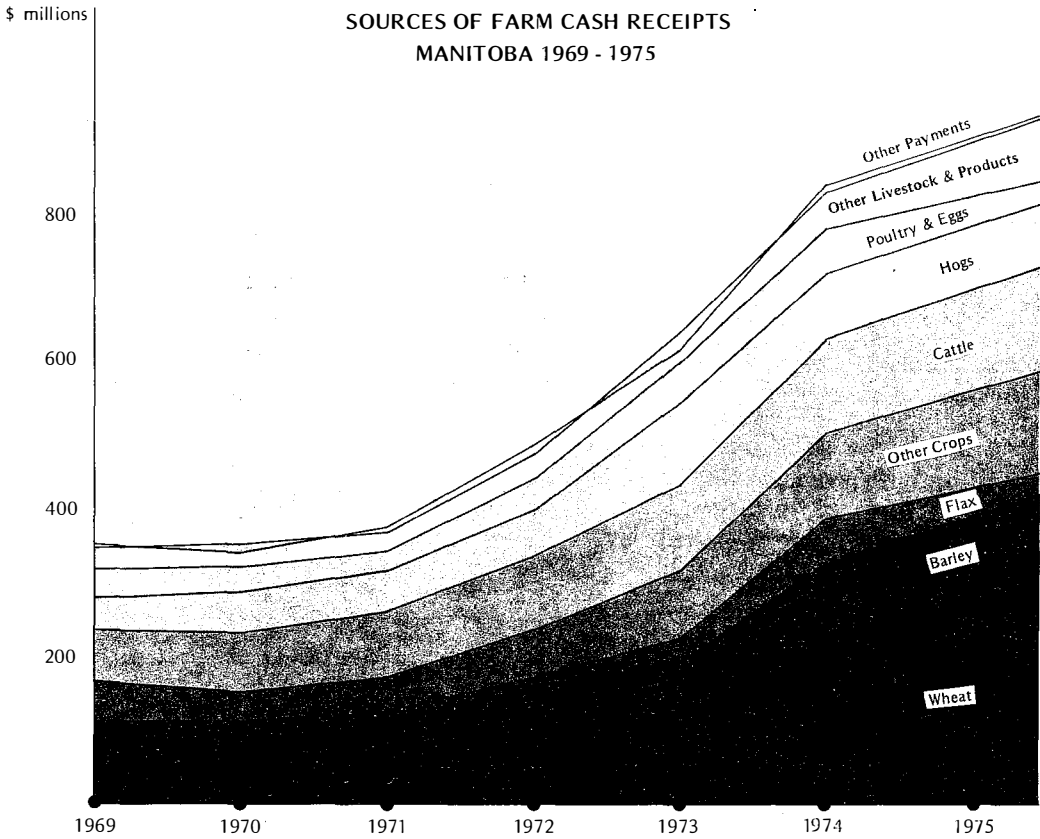
|                          | 1968    | 1969    | 1970    | 1971    | 1972      | 1973 <sup>r</sup> | 1974 <sup>r</sup> | 1975*     |
|--------------------------|---------|---------|---------|---------|-----------|-------------------|-------------------|-----------|
| Agriculture <sup>1</sup> | 458.000 | 474.000 | 457.000 | 545.000 | 693.000   | 1,290.000         | 1,037.000         | 1,106.000 |
| Minerals                 | 209.617 | 245.596 | 332.146 | 329.913 | 311.154   | 419.214           | 486.249           | 533.308   |
| Forest Products          | 19.500  | 25.300  | 22.200  | 26.000  | 31.000    | 34.000            | 35.000            | 37.000    |
| Fur <sup>2</sup>         | 5.262   | 5.911   | 4.821   | 3.164   | 2.647     | 4.710             | 3.103             | 4.181     |
| Fisheries <sup>3</sup>   | 5.497   | 5.497   | 3.360   | 3.829   | 7.509     | 8.366             | 8.599             | 8.500     |
| Total Value of Output    | 697.876 | 759.093 | 819.527 | 907.906 | 1,045.310 | 1,756.290         | 1,569.951         | 1,688.989 |
| % Change                 | 2.2     | 8.7     | 8.0     | 10.7    | 15.1      | 68.0              | - 10.6            | 7.6       |

<sup>r</sup>Revised

\*Estimates

<sup>1</sup>Excludes fur farm production and agricultural forest production reported in "Furs" and "Forest Products". Series revised.<sup>2</sup>Ranch and wild furs.<sup>3</sup>Based on the fiscal year.

Source: Department of Agriculture/Department of Mines, Resources and Environmental Management/Department of Renewable Resources and Transportation Services.



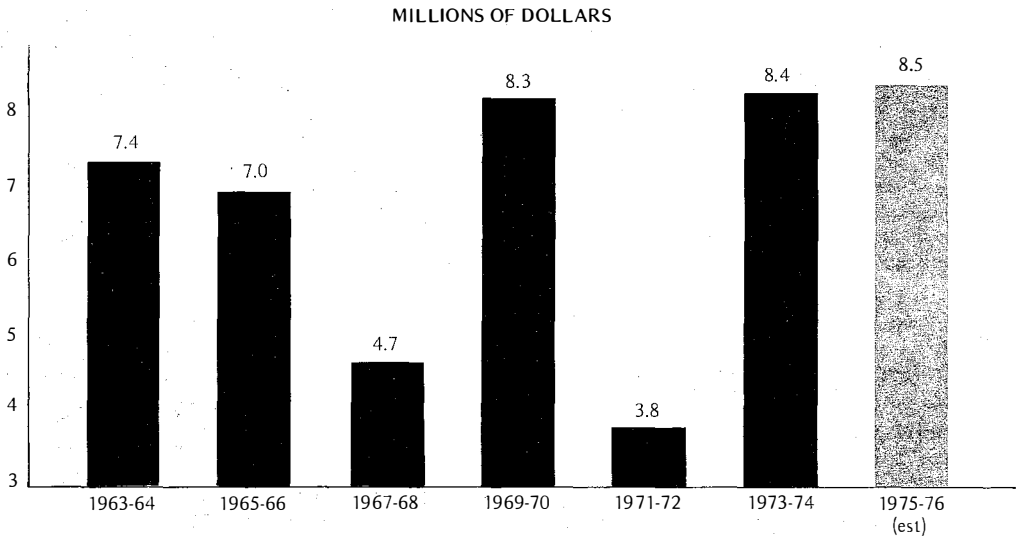
(Millions of Dollars)

|      | Total | Wheat | Barley | Flax-seed | Other Crops | Cattle & Calves | Hogs  | Poultry & Eggs | Other Livestock & Products | Other* Payments |
|------|-------|-------|--------|-----------|-------------|-----------------|-------|----------------|----------------------------|-----------------|
| 1969 | 350.4 | 72.1  | 13.3   | 25.7      | 57.0        | 69.6            | 43.4  | 36.4           | 29.3                       | 5.6             |
| 1970 | 341.4 | 72.3  | 21.5   | 17.6      | 38.0        | 81.2            | 58.0  | 34.3           | 29.2                       | -10.7           |
| 1971 | 373.4 | 77.1  | 32.0   | 14.7      | 49.7        | 88.6            | 52.6  | 28.9           | 29.4                       | 0.4             |
| 1972 | 488.1 | 113.3 | 45.3   | 13.0      | 67.3        | 101.0           | 68.9  | 33.8           | 35.1                       | 10.4            |
| 1973 | 618.4 | 121.0 | 69.9   | 38.5      | 93.8        | 117.6           | 108.1 | 54.3           | 40.6                       | -25.4           |
| 1974 | 842.4 | 225.2 | 103.1  | 60.9      | 117.7       | 129.7           | 91.6  | 56.3           | 52.0                       | 5.9             |
| 1975 | 906.1 | 289.7 | 102.8  | 38.5      | 131.2       | 139.6           | 88.0  | 48.7           | 62.6                       | 5.2             |

\*May be negative on account of CWB grain repayments & refund grain receipts.

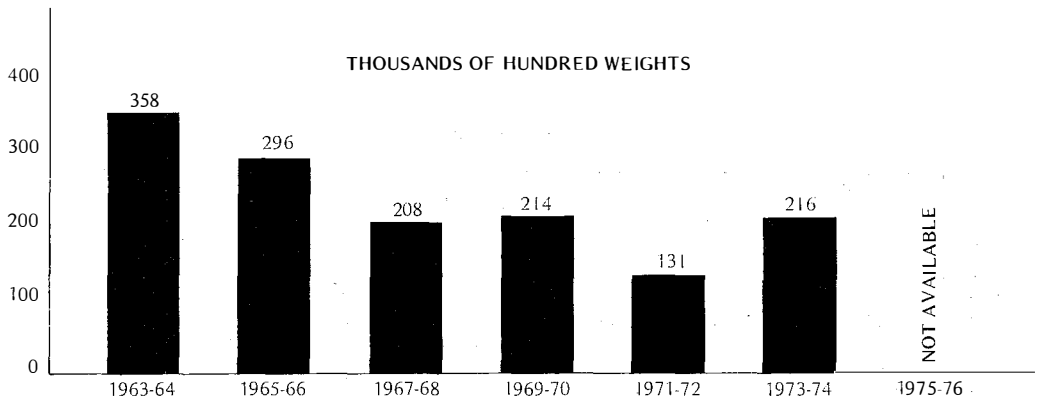
Source: Statistics Canada

### MARKETED VALUE OF FISHERIES PRODUCTS IN MANITOBA 1963-1975



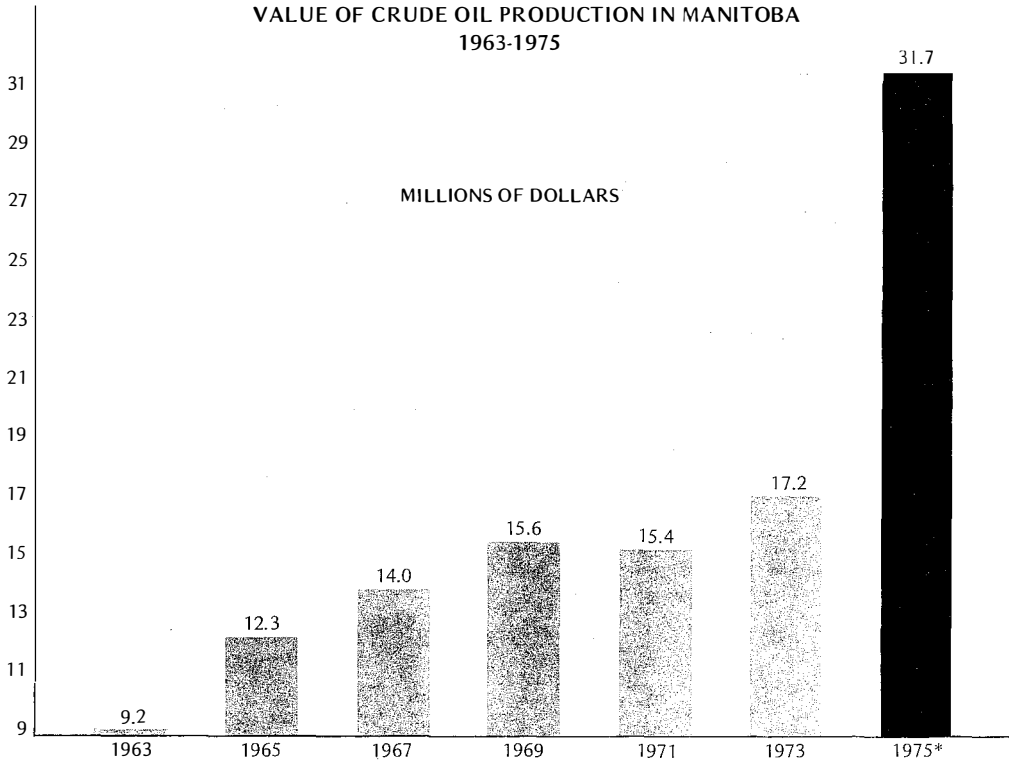
Source: Department of Renewable Resources & Transportation Services

### VOLUME OF FISHERIES PRODUCTS IN MANITOBA 1963-1975



Source: Department of Renewable Resources & Transportation Services

**VALUE OF CRUDE OIL PRODUCTION IN MANITOBA  
1963-1975**



| Year  | Value of Crude Oil Production |          |
|-------|-------------------------------|----------|
|       | \$ Millions                   | % Change |
| 1962  | 9,500                         | —        |
| 1963  | 9,183                         | - 3.3    |
| 1964  | 10,694                        | 16.4     |
| 1965  | 12,270                        | 14.7     |
| 1966  | 13,087                        | 6.7      |
| 1967  | 13,974                        | 6.8      |
| 1968  | 15,561                        | 11.4     |
| 1969  | 15,615                        | 0.3      |
| 1970  | 14,858                        | - 4.8    |
| 1971  | 15,413                        | 3.7      |
| 1972  | 14,588                        | - 5.4    |
| 1973  | 17,148                        | 17.5     |
| 1974  | 27,164                        | 58.4     |
| 1975* | 31,657                        | 16.5     |

\*Estimate

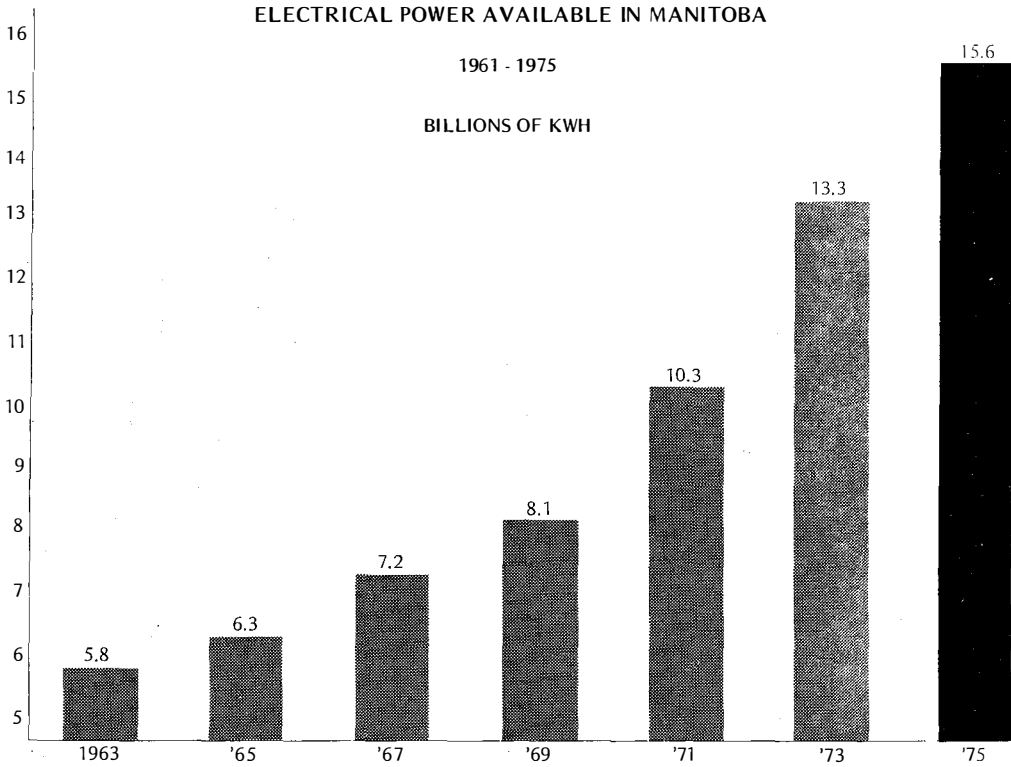
Source: Department of Mines, Natural Resources and Environmental Management.

VOLUME OF CRUDE OIL PRODUCTION  
WESTERN PROVINCES AND CANADA  
1961-75

|      | <u>British Columbia</u>    |              | <u>Alberta</u>             |              | <u>Saskatchewan</u>        |              | <u>Manitoba</u>            |              | <u>Canada</u>              |              |
|------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|
|      | <u>'000 of<br/>Barrels</u> | <u>% Ch.</u> | <u>'000 of<br/>Barrels</u> | <u>% Ch.</u> | <u>'000 of<br/>Barrels</u> | <u>% Ch.</u> | <u>'000 of<br/>Barrels</u> | <u>% Ch.</u> | <u>'000 of<br/>Barrels</u> | <u>% Ch.</u> |
| 1961 | 1,018                      | --           | 157,812                    | --           | 55,860                     | --           | 4,480                      | --           | 220,848                    | --           |
| 1962 | 8,914                      | 775.6        | 165,125                    | 4.6          | 64,432                     | 15.3         | 3,927                      | -12.3        | 244,115                    | 10.5         |
| 1963 | 12,529                     | 40.6         | 168,214                    | 1.9          | 71,304                     | 10.7         | 3,771                      | - 4.0        | 257,662                    | 5.5          |
| 1964 | 11,552                     | - 7.8        | 176,184                    | 4.7          | 81,404                     | 14.2         | 4,417                      | 17.1         | 275,417                    | 6.9          |
| 1965 | 13,503                     | 16.9         | 184,156                    | 4.5          | 87,789                     | 7.8          | 4,947                      | 12.0         | 292,333                    | 6.1          |
| 1966 | 16,681                     | 23.5         | 203,339                    | 10.4         | 93,218                     | 6.2          | 5,231                      | 5.7          | 320,549                    | 9.6          |
| 1967 | 19,697                     | 18.1         | 231,543                    | 13.9         | 92,535                     | -0.7         | 5,585                      | 6.8          | 351,288                    | 9.6          |
| 1968 | 22,206                     | 12.7         | 257,281                    | 11.1         | 91,889                     | - 0.7        | 6,205                      | 11.1         | 379,492                    | 8.0          |
| 1969 | 25,387                     | 14.3         | 290,012                    | 12.7         | 87,414                     | - 4.9        | 6,205                      | 0            | 410,990                    | 8.3          |
| 1970 | 25,478                     | 0.4          | 338,403                    | 16.7         | 89,487                     | 2.4          | 5,908                      | - 4.8        | 461,180                    | 12.2         |
| 1971 | 25,263                     | - 0.8        | 371,501                    | 9.8          | 88,459                     | - 1.1        | 5,605                      | - 5.1        | 492,739                    | 6.8          |
| 1972 | 23,936                     | - 5.3        | 444,220                    | 19.6         | 86,787                     | - 1.9        | 5,257                      | - 6.2        | 561,977                    | 14.1         |
| 1973 | 21,316                     | -10.9        | 541,736                    | 22.0         | 85,936                     | - 1.0        | 5,084                      | - 3.3        | 655,853                    | 16.7         |
| 1974 | 18,948                     | -11.1        | 515,437                    | - 4.9        | 73,947                     | -14.0        | 4,749                      | - 6.6        | 614,777                    | - 6.3        |
| 1975 | 14,432                     | -23.8        | 446,359                    | -13.4        | 58,171                     | -21.3        | 4,441                      | - 6.5        | 525,342                    | -14.5        |

SOURCE: Statistics Canada.



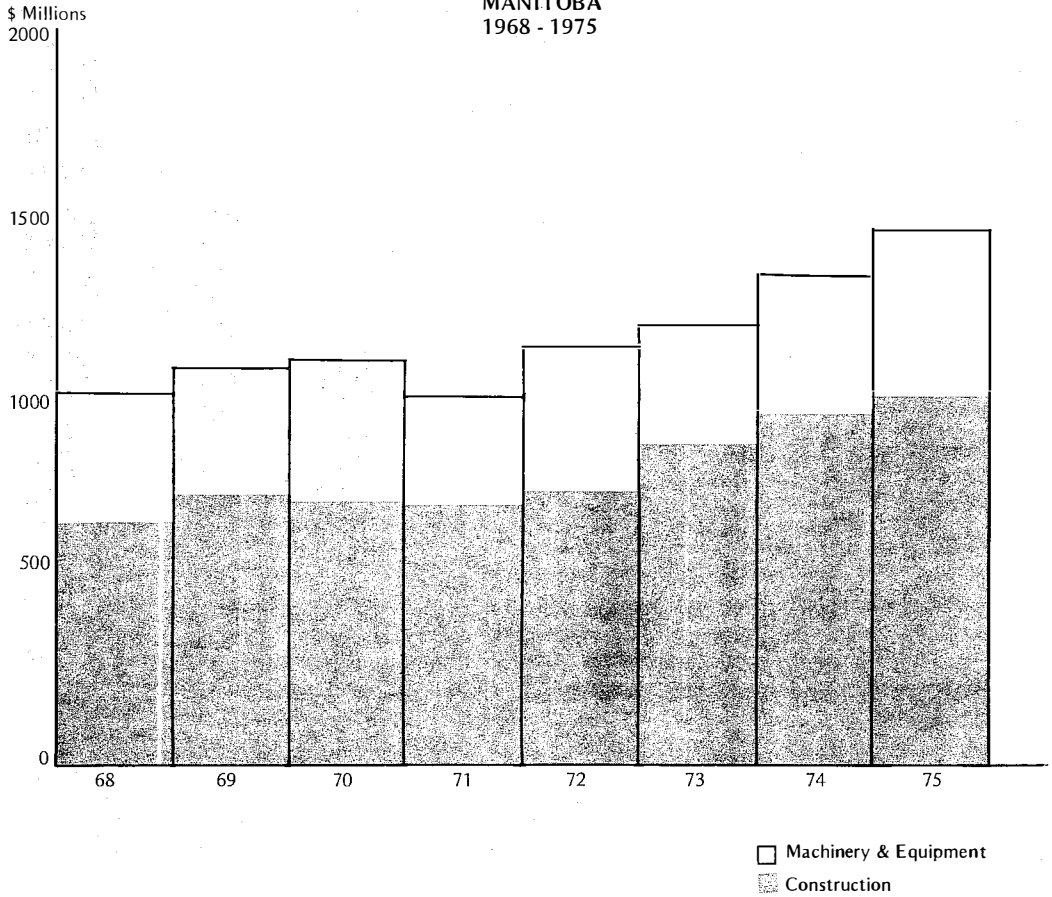


| Year              | Kilowatt Hours<br>(Millions) | Average Net Value<br>(Thousands of Dollars) |
|-------------------|------------------------------|---|
| 1961              | 4,908                        | 41,137                                      |
| 1962              | 5,252                        | 44,293                                      |
| 1963              | 5,778                        | 47,344                                      |
| 1964              | 5,844                        | 49,822                                      |
| 1965              | 6,264                        | 51,931                                      |
| 1966              | 6,817                        | 55,385                                      |
| 1967              | 7,207                        | 58,541                                      |
| 1968              | 7,539                        | 65,250                                      |
| 1969              | 8,097                        | 73,235                                      |
| 1970              | 9,279                        | 82,482                                      |
| 1971              | 10,319                       | 90,294                                      |
| 1972              | 11,711                       | 100,151                                     |
| 1973 <sup>r</sup> | 13,286                       | 110,738                                     |
| 1974 <sup>r</sup> | 15,237                       | 136,801                                     |
| 1975 <sup>*</sup> | 15,580                       | 164,258                                     |

\*Estimated  
<sup>r</sup>Revised

Source: Manitoba Hydro Electric Board.

**TOTAL PUBLIC AND PRIVATE INVESTMENT  
MANITOBA  
1968 - 1975**



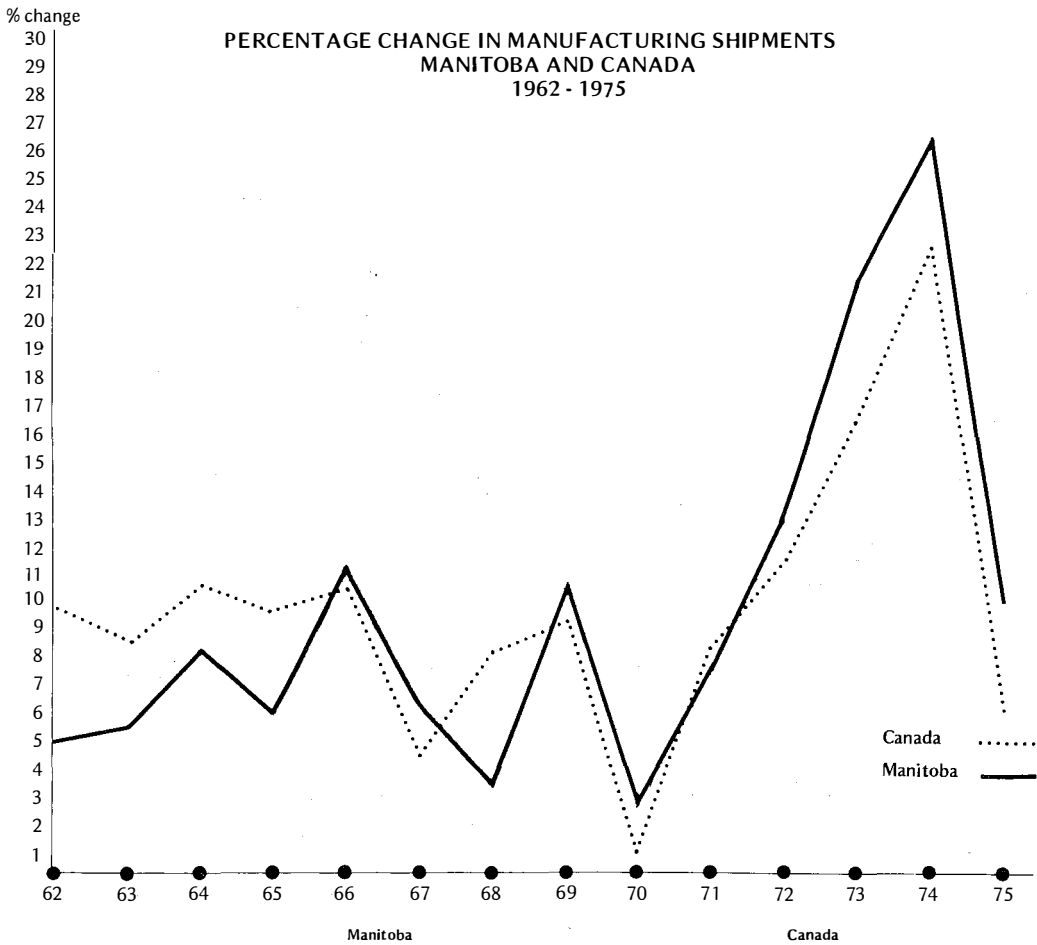
(Millions of Dollars)

| Year              | Institutional Services & Govt. Depts. |                       | Utilities    |                       | Private Sector & Other |                       | Total        |                       | Total  |
|-------------------|---------------------------------------|-----------------------|--------------|-----------------------|------------------------|-----------------------|--------------|-----------------------|--------|
|                   | Construction                          | Machinery & Equipment | Construction | Machinery & Equipment | Construction           | Machinery & Equipment | Construction | Machinery & Equipment |        |
| 1968              | 191.7                                 | 21.1                  | 187.8        | 117.6                 | 265.3                  | 235.7                 | 644.8        | 374.4                 | 1019.2 |
| 1969              | 222.1                                 | 19.6                  | 186.2        | 130.5                 | 330.4                  | 251.8                 | 738.7        | 401.9                 | 1140.6 |
| 1970              | 225.4                                 | 25.0                  | 138.2        | 153.4                 | 338.2                  | 268.5                 | 701.8        | 446.9                 | 1148.7 |
| 1971              | 209.0                                 | 25.7                  | 159.9        | 113.2                 | 328.6                  | 239.9                 | 697.5        | 378.8                 | 1076.3 |
| 1972              | 199.8                                 | 31.7                  | 198.1        | 165.3                 | 346.9                  | 270.4                 | 744.8        | 467.4                 | 1212.2 |
| 1973              | 211.4                                 | 44.0                  | 236.5        | 175.8                 | 440.0                  | 340.5                 | 887.9        | 560.3                 | 1448.2 |
| 1974 <sup>1</sup> | 228.3                                 | 34.5                  | 251.5        | 313.3                 | 505.2                  | 464.7                 | 985.0        | 812.5                 | 1797.5 |
| 1975 <sup>2</sup> | 268.3                                 | 37.0                  | 265.0        | 376.3                 | 474.8                  | 496.3                 | 1008.1       | 909.6                 | 1917.7 |

<sup>1</sup>Preliminary actual

<sup>2</sup>Revised intentions

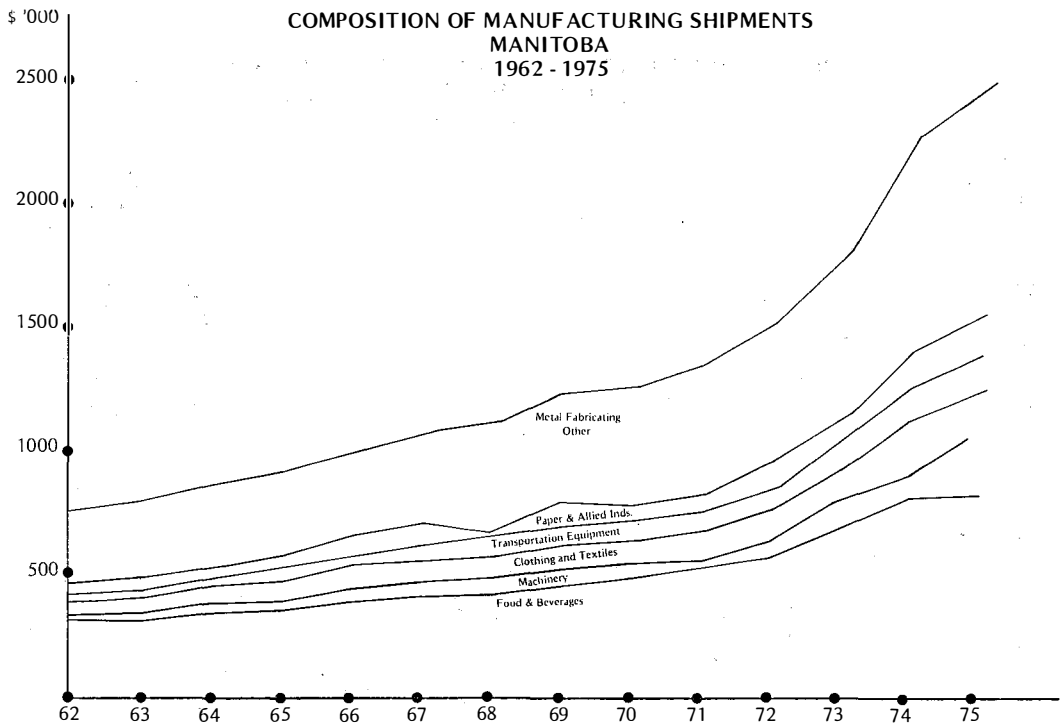
Source: Statistics Canada



| Year  | Manitoba          |                | Canada            |                |
|-------|-------------------|----------------|-------------------|----------------|
|       | Value \$ millions | Percent Change | Value \$ millions | Percent Change |
| 1962  | 753               | —              | 25,790            | —              |
| 1963  | 794               | 5.4            | 28,015            | 8.6            |
| 1964  | 861               | 8.4            | 30,856            | 10.1           |
| 1965  | 913               | 6.0            | 33,889            | 9.8            |
| 1966  | 1,019             | 11.6           | 37,304            | 10.1           |
| 1967  | 1,080             | 6.0            | 38,955            | 4.4            |
| 1968  | 1,119             | 3.6            | 42,062            | 8.0            |
| 1969  | 1,230             | 9.9            | 45,930            | 9.2            |
| 1970  | 1,257             | 2.2            | 46,382            | 1.0            |
| 1971  | 1,346             | 7.1            | 50,275            | 8.3            |
| 1972  | 1,510             | 12.2           | 56,247            | 11.8           |
| 1973  | 1,814             | 20.1           | 65,710            | 16.8           |
| 1974  | 2,272             | 25.2           | 80,292            | 22.2           |
| 1975P | 2,500             | 10.0           | 85,221            | 6.1            |

P Preliminary

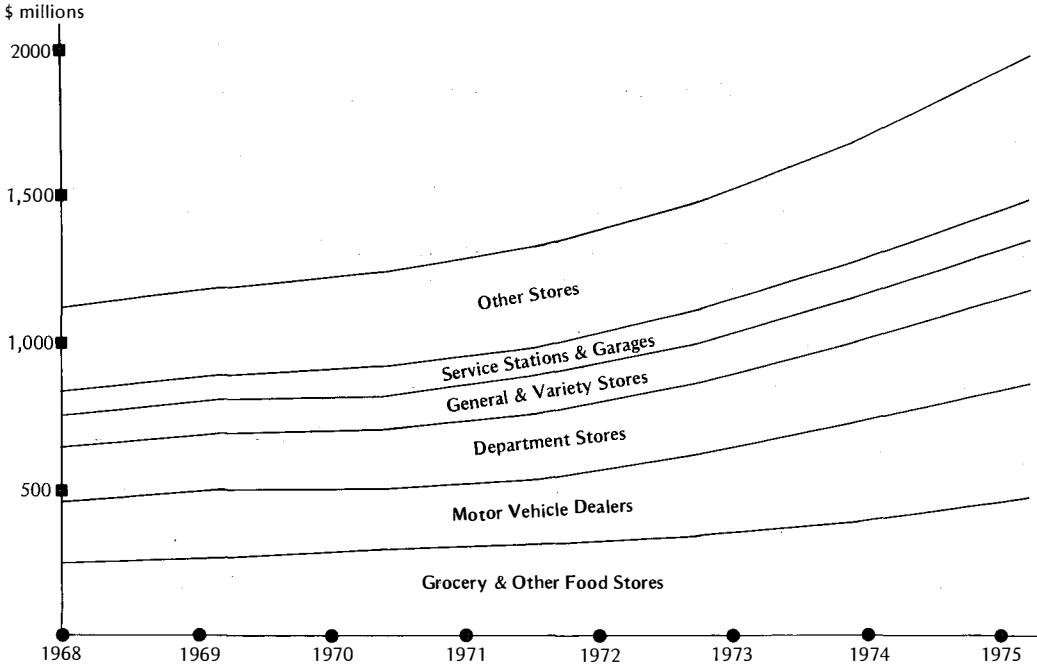
Source: Statistics Canada



| Year  | Food & Bev. |       | Machinery |       | Clothing and Textiles |       | Transportation Equipment |       | Metal Fabricating |       | Paper & Allied Inds. |       | Other |       |
|-------|-------------|-------|-----------|-------|-----------------------|-------|--------------------------|-------|-------------------|-------|----------------------|-------|-------|-------|
|       | Total       | % Ch. | Total     | % Ch. | Total                 | % Ch. | Total                    | % Ch. | Total             | % Ch. | Total                | % Ch. | Total | % Ch. |
| 1962  | \$000       | —     | \$000     | —     | \$000                 | —     | \$000                    | —     | \$000             | —     | \$000                | —     | \$000 | —     |
| 1963  | 313         | 0.3   | 27        | 42.1  | 68                    | 6.2   | 27                       | 22.7  | 55                | 7.8   | 45                   | 9.8   | 259   | 6.1   |
| 1964  | 344         | 9.9   | 35        | 29.6  | 72                    | 5.8   | 29                       | 7.4   | 60                | 9.1   | 51                   | 13.3  | 270   | 4.2   |
| 1965  | 352         | 2.3   | 42        | 20.0  | 78                    | 8.3   | 32                       | 10.3  | 69                | 15.0  | 50                   | -2.0  | 290   | 7.4   |
| 1966  | 385         | 9.4   | 55        | 31.0  | 88                    | 12.8  | 42                       | 31.3  | 82                | 18.8  | 54                   | 8.0   | 313   | 7.9   |
| 1967  | 406         | 5.5   | 63        | 14.5  | 88                    | 0     | 53                       | 26.2  | 85                | 3.7   | 52                   | -3.7  | 333   | 6.4   |
| 1968  | 418         | 3.0   | 60        | -4.8  | 91                    | 3.4   | 49                       | -7.5  | n.a               | N/A   | 55                   | 5.8   | 446*  | N/A   |
| 1969  | 453         | 8.4   | 70        | 16.7  | 96                    | 5.5   | 73                       | 49.0  | 96                | N/A   | 61                   | 10.9  | 381   | N/A   |
| 1970  | 479         | 5.7   | 59        | -15.7 | 101                   | 5.2   | 77                       | 5.5   | n.a               | N/A   | 59                   | -3.3  | 482*  | N/A   |
| 1971  | 496         | 3.5   | 58        | -1.7  | 117                   | 15.8  | 82                       | 6.5   | n.a               | N/A   | 68                   | 15.3  | 525*  | N/A   |
| 1972  | 561         | 13.1  | 73        | 25.9  | 131                   | 12.0  | 89                       | 8.5   | 98                | N/A   | 75                   | 10.3  | 483   | N/A   |
| 1973  | 689         | 22.8  | 99        | 35.6  | 133                   | 1.5   | 108                      | 21.3  | 122               | 24.5  | 94                   | 25.3  | 569   | 17.8  |
| 1974  | 810         | 17.6  | 147       | 48.5  | 158                   | 18.8  | 141                      | 30.6  | 148               | 21.3  | 134                  | 42.6  | 734   | 29.0  |
| 1975P | 820         | 1.2   | 236       | 60.5  | 171                   | 8.2   | 165                      | 17.0  | 155               | 4.7   | 147                  | 9.7   | 806   | 9.8   |

P Preliminary  
n.a.: Not available  
N/A: not applicable  
Source: Statistics Canada

VALUE OF RETAIL TRADE BY KIND OF BUSINESS  
MANITOBA 1968 - 1975



(Millions of Dollars)

| Year  | All Stores | Grocery & Other Food Stores | Motor Vehicle Dealers | Department Stores | General & Variety Stores | Service Stations & Garages | Other Stores |
|-------|------------|-----------------------------|-----------------------|-------------------|--------------------------|----------------------------|--------------|
| 1968  | 1,118      | 255                         | 209                   | 184               | 107                      | 81                         | 281          |
| 1969  | 1,188      | 273                         | 217                   | 198               | 112                      | 84                         | 304          |
| 1970  | 1,227      | 293                         | 199                   | 198               | 118                      | 97                         | 323          |
| 1971  | 1,318      | 307                         | 227                   | 215               | 127                      | 102                        | 340          |
| 1972  | 1,496      | 343                         | 302                   | 245               | 151                      | 115                        | 340          |
| 1973  | 1,699      | 383                         | 379                   | 276               | 158                      | 143                        | 361          |
| 1974  | 1,989      | 442                         | 438                   | 315               | 190                      | 170                        | 434          |
| 1975* | 2,156      | 485                         | 469                   | 342               | 130                      | 119                        | 611          |

\* Estimate

Source: Statistics Canada.

RESIDENTIAL DWELLING UNITS STARTS AND COMPLETIONSMANITOBA1962-75

|      | <u>Single Detached<br/>Starts</u> | <u>Row &amp; Two<br/>Family Starts</u> | <u>Apartment &amp;<br/>Other Starts</u> | <u>Total<br/>Starts</u> | <u>Total<br/>Completions</u> |
|------|-----------------------------------|--|---|-------------------------|------------------------------|
| 1962 | 3,279                             | 519                                    | 891                                     | 4,689                   | 4,831                        |
| 1964 | 4,270                             | 642                                    | 1,740                                   | 6,652                   | 6,597                        |
| 1966 | 3,200                             | 325                                    | 1,727                                   | 5,252                   | 5,416                        |
| 1968 | 2,649                             | 511                                    | 3,296                                   | 6,456                   | 5,878                        |
| 1970 | 3,068                             | 1,824                                  | 4,053                                   | 8,945                   | 9,320                        |
| 1972 | 4,889                             | 1,287                                  | 5,892                                   | 12,068                  | 10,071                       |
| 1974 | 5,405                             | 920                                    | 2,427                                   | 8,752                   | 12,164                       |
| 1975 | 4,334                             | 823                                    | 2,688                                   | 7,845                   | 8,760                        |

Source: Statistics Canada.

INTER-CITY INDEXES OF RETAIL PRICE DIFFERENTIALS  
DECEMBER, 1975      WINNIPEG PRICE LEVELS = 100

|            | All Items | Household<br>Operation | Clothing | Transport-<br>ation | Health &<br>Personal<br>Care | Recreation<br>& Reading | Tobacco<br>&<br>Alcohol | Food for<br>Home<br>Consumption |
|------------|-----------|------------------------|----------|---------------------|------------------------------|-------------------------|-------------------------|---------------------------------|
| St. John's | 110       | 105                    | 100      | 118                 | 103                          | 104                     | 128                     | 110                             |
| Halifax    | 101       | 104                    | 93       | 107                 | 93                           | 104                     | 111                     | 99                              |
| Saint John | 105       | 101                    | 100      | 114                 | 101                          | 104                     | 109                     | 104                             |
| Montreal   | 104       | 103                    | 101      | 113                 | 97                           | 111                     | 101                     | 98                              |
| Ottawa     | 100       | 100                    | 101      | 104                 | 98                           | 104                     | 100                     | 97                              |
| Toronto    | 101       | 99                     | 95       | 106                 | 106                          | 107                     | 98                      | 98                              |
| Winnipeg   | 100       | 100                    | 100      | 100                 | 100                          | 100                     | 100                     | 100                             |
| Regina     | 100       | 96                     | 102      | 102                 | 102                          | 106                     | 98                      | 99                              |
| Edmonton   | 99        | 100                    | 98       | 102                 | 102                          | 102                     | 96                      | 98                              |
| Vancouver  | 103       | 107                    | 104      | 100                 | 100                          | 104                     | 98                      | 106                             |

Source: Department of Finance/Statistics Canada.

CONSUMER PRICE CHANGES  
WINNIPEG AND CANADA

|      |            | CONSUMER PRICE INDEX (1971 = 100) |            |             |            |
|------|------------|-----------------------------------|------------|-------------|------------|
|      |            | W I N N I P E G                   |            | C A N A D A |            |
|      |            | Level                             | % Increase | Level       | % Increase |
| 1975 | Mar./Apr.  | 133.2                             | 1.7        | 134.5       | 1.2        |
|      | May/June   | 135.9                             | 2.0        | 136.9       | 1.8        |
|      | Jul./Aug.  | 139.3                             | 2.5        | 140.5       | 2.6        |
|      | Sept./Oct. | 141.1                             | 1.3        | 142.2       | 1.2        |
|      | Nov./Dec.  | 144.3                             | 2.3        | 144.2       | 1.4        |
| 1976 | Jan./Feb.  | 145.2                             | 0.6        | 145.2       | 0.8        |

SOURCE: Statistics Canada.

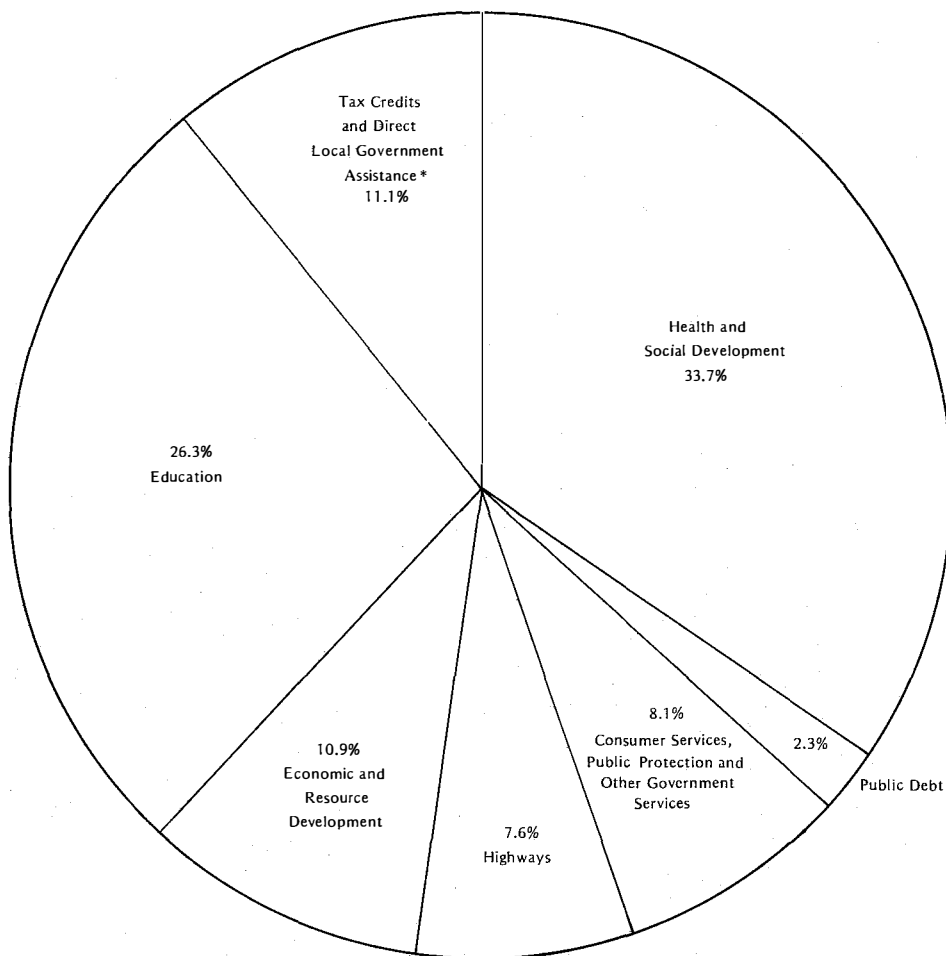


APPENDIX B - FINANCIAL STATISTICS

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2. Main and Supplementary Estimates of Current Expenditures - Fiscal 1975-76 and 1976-77.
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7. Statement of Guarantees Outstanding by Class of Borrower.
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BUDGETARY (CURRENT) EXPENDITURES  
FISCAL 1976-77



(Millions of Dollars)

|   |                  |
|---|------------------|
| Education.....  | \$ 309.8         |
| Health and Social Development.....                                      | 395.9            |
| Economic and Resource Development.....                                  | 128.4            |
| Consumer Services, Public Protection and Other Government Services..... | 95.2             |
| Highways.....   | 88.9             |
| Tax Credits and Direct Local Government Assistance.....                 | 131.2*           |
| Public Debt.....  | 27.1             |
| <b>Total .....</b>  | <b>\$1,176.5</b> |

\*This does not include roughly \$17.6 million in direct transfer of personal and corporation income tax revenues to local governments.

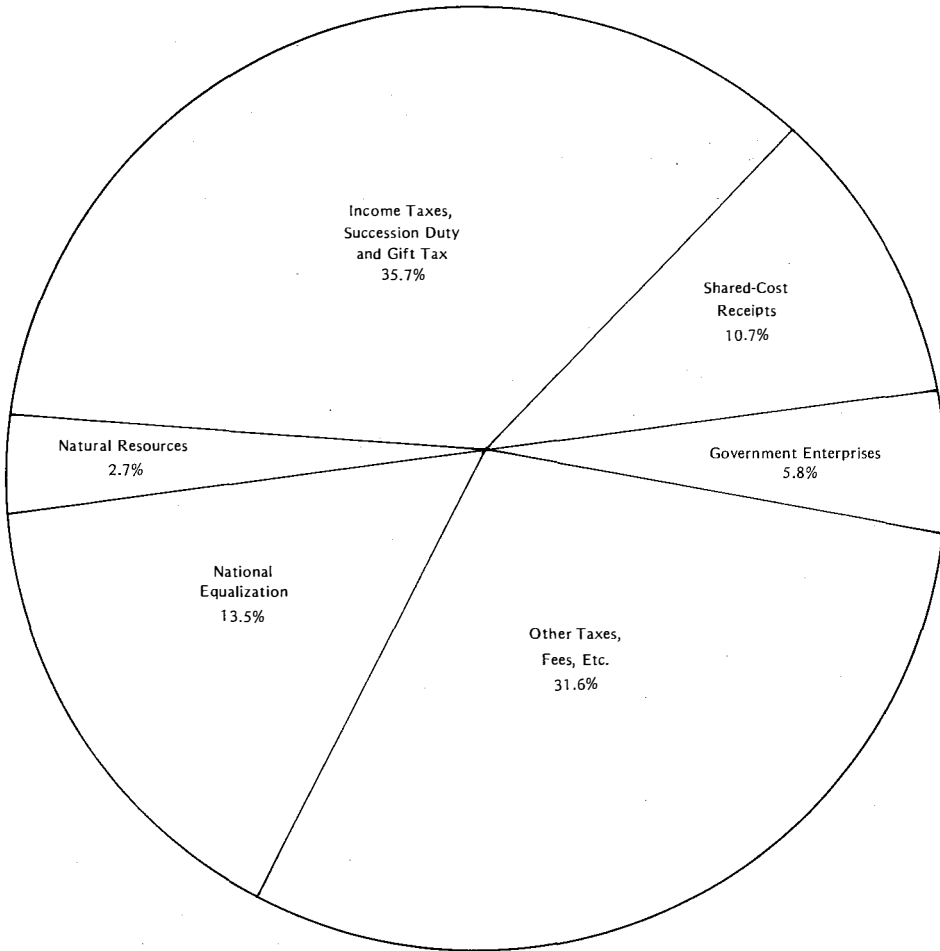
MAIN AND SUPPLEMENTARY ESTIMATES OF GOVERNMENT EXPENDITURES  
FISCAL 1975-76 AND 1976-77

|  |               | Fiscal<br>1975-76 | % of<br>Total | Fiscal<br>1976-77 | % of<br>Total |
|--|---------------|-------------------|---------------|-------------------|---------------|
| 1. Education   |               |                   |               |                   |               |
| (a) Colleges and Universities Affairs . . . . .                        | Main          | \$ 122,575,400    |               | \$ 125,821,700    |               |
|  | Supplementary | 380,500           |               | -                 |               |
| (b) Education . . . . .  | Main          | 164,665,500       |               | 177,237,600       |               |
|  | Supplementary | 1,043,600         |               | 6,764,800         |               |
|  |               | \$ 288,665,000    | 27.9          | \$ 309,824,100    | 26.3          |
| 2. Health and Social Development                                       |               |                   |               |                   |               |
|  | Main          | \$ 314,560,400    |               | \$ 395,063,100    |               |
|  | Supplementary | 4,493,100         |               | 807,100           |               |
|  |               | \$ 319,053,500    | 30.9          | \$ 395,870,200    | 33.7          |
| 3. Economic and Resource Development                                   |               |                   |               |                   |               |
| (a) Agriculture . . . . .  | Main          | \$ 26,044,400     |               | \$ 40,772,800     |               |
| (b) Co-operative Development . . . . .                                 | Main          | 1,314,100         |               | 1,458,900         |               |
| (c) Industry and Commerce . . . . .                                    | Main          | 6,585,100         |               | 6,408,000         |               |
|  | Supplementary | 43,800            |               | -                 |               |
| (d) Mines, Resources and Environmental Management                      | Main          | 20,580,000        |               | 18,821,900        |               |
|  | Supplementary | -                 |               | 1,340,000         |               |
| (e) Development Agencies . . . . .                                     | Main          | 387,500           |               | 1,092,600         |               |
| (f) Northern Affairs . . . . .   | Main          | 17,321,700        |               | 16,689,500        |               |
| (g) Renewable Resources and Transportation Services                    | Main          | 15,642,600        |               | 15,923,600        |               |
|  | Supplementary | 292,500           |               | -                 |               |
| (h) Tourism, Recreation and Cultural Affairs . . . . .                 | Main          | 20,607,200        |               | 23,043,500        |               |
|  | Supplementary | 1,212,000         |               | -                 |               |
| (i) General Development Agreement . . . . .                            | Main          | 850,000           |               | 250,000           |               |
| (j) Canada-Manitoba DREE Agreements . . . . .                          | Supplementary | -                 |               | 2,644,000         |               |
|  |               | \$ 110,880,900    | 10.7          | \$ 128,444,800    | 10.9          |
| 4. Consumer Services, Public Protection and Other Government Services  |               |                   |               |                   |               |
| (a) Legislation . . . . .  | Main          | \$ 2,723,500      |               | \$ 2,905,800      |               |
| (b) Executive Council . . . . .  | Main          | 3,367,800         |               | 3,749,800         |               |
| (c) Attorney-General . . . . .   | Main          | 20,475,700        |               | 22,878,800        |               |
|  | Supplementary | -                 |               | 207,400           |               |
| (d) Consumer, Corporate and Internal Services . . . . .                | Main          | 2,319,700         |               | 2,510,400         |               |
|  | Supplementary | -                 |               | 673,700           |               |
| (e) Civil Service Commission . . . . .                                 | Main          | 8,581,600         |               | 11,704,000        |               |
| (f) Finance (excluding Public Debt and the Tax Credit Plans) . . . . . | Main          | 6,228,300         |               | 7,360,900         |               |
| (g) Labour . . . . .   | Main          | 2,708,700         |               | 3,128,500         |               |
|  | Supplementary | -                 |               | 169,400           |               |
| (h) Public Works . . . . .   | Main          | 23,881,500        |               | 26,176,300        |               |
|  | Supplementary | -                 |               | 730,000           |               |
| (i) Flood Control and Emergency Expenditures . . . . .                 | Main          | 3,318,900         |               | 3,000,000         |               |
| (j) General Salary Increases . . . . .                                 | Main          | 4,500,000         |               | 10,000,000        |               |
|  |               | \$ 78,105,700     | 7.6           | \$ 95,195,000     | 8.1           |
| 5. Highways . . . . .  | Main          | \$ 84,153,500     |               | \$ 88,853,500     |               |
|  | Supplementary | 1,330,000         |               | -                 |               |
|  |               | \$ 85,483,500     | 8.3           | \$ 88,853,500     | 7.6           |
| 6. Tax Credits and Direct Local Government Assistance*                 |               |                   |               |                   |               |
| (a) Manitoba Cost of Living Tax Credit Plan . . . . .                  | Main          | \$ 14,196,500     |               | \$ 23,305,800     |               |
|  | Supplementary | 10,500,000        |               | -                 |               |

|   | <u>Fiscal</u><br><u>1975-76</u> | <u>% of</u><br><u>Total</u> | <u>Fiscal</u><br><u>1976-77</u> | <u>% of</u><br><u>Total</u> |
|---|---------------------------------|-----------------------------|---------------------------------|-----------------------------|
| 5. Tax Credits and Direct Local Government Assistance* (Cont'd) |                                 |                             |                                 |                             |
| (b) Manitoba Property Tax Credit                                |                                 |                             |                                 |                             |
| Plan . . . . . Main   | \$ 63,107,000                   |                             | \$ 77,693,800                   |                             |
| Supplementary   | 4,500,000                       |                             | 5,000,000                       |                             |
| (c) Municipal Affairs . . . . . Main                            | 22,542,000                      |                             | 11,371,900                      |                             |
| Supplementary   | 1,000,000                       |                             | -                               |                             |
| (d) Urban Affairs . . . . . Main                                | 11,949,700                      |                             | 13,606,000                      |                             |
| Supplementary   | -                               |                             | 200,000                         |                             |
|   | <u>\$ 127,795,200</u>           | <u>12.3</u>                 | <u>\$ 131,177,500</u>           | <u>11.1</u>                 |
| 7. Public Debt . . . . . Main                                   | \$ 24,069,000                   | 2.3                         | \$ 27,125,000                   | 2.3                         |
|   | <u>\$1,034,052,800</u>          | <u>100.0</u>                | <u>\$1,176,490,100</u>          | <u>100.0</u>                |

\* This does not include roughly \$17.6 million in direct transfer of personal and corporation income tax revenues to local governments.

BUDGETARY (CURRENT) REVENUES  
FISCAL 1976-77



(Millions of Dollars)

|   |                  |
|---|------------------|
| Income Taxes, Succession Duty and Gift Tax..... | \$ 415.4         |
| National Equalization.....                      | 157.6            |
| Other Taxes, Fees, Etc. ....                    | 367.8            |
| Natural Resources.....                          | 31.4             |
| Government Enterprises.....                     | 67.0             |
| Shared-Cost Receipts.....                       | 124.5            |
| <b>Total.....</b>                               | <b>\$1,163.7</b> |

## REVENUE ESTIMATES - FISCAL 1975-76 AND 1976-77

|   | Fiscal<br><u>1975-76</u>  | % of<br><u>Total</u> | <u>1976-77</u>            | % of<br><u>Total</u> |
|---|---------------------------|----------------------|---------------------------|----------------------|
| 1. Income Taxes and Provincial Succession<br>Duty and Gift Tax                                  |                           |                      |                           |                      |
| a) Individual Income Tax . . . . .  | \$241,900,000             |                      | \$277,856,700             |                      |
| b) Corporation Income Tax . . . . .   | 70,000,000                |                      | 79,046,400                |                      |
| c) Manitoba Succession Duty and Gift<br>Tax . . . . .   | 5,000,000                 |                      | 7,500,000                 |                      |
| d) Income Tax Revenue Guarantee . . . . .   | 30,000,000                |                      | 51,000,000                |                      |
|   | <u>\$346,900,000</u>      | 34.0                 | <u>\$415,403,100</u>      | 35.7                 |
| 2. National Equalization . . . . .  | \$124,400,000             | 12.2                 | \$157,600,000             | 13.5                 |
| 3. Other Taxes, Fees, etc.  |                           |                      |                           |                      |
| a) Legislation . . . . .  | \$ 392,100                |                      | \$ 448,000                |                      |
| b) Attorney-General . . . . .   | 7,992,100                 |                      | 9,352,300                 |                      |
| c) Colleges and Universities Affairs,<br>Consumer, Corporate and Internal<br>Services . . . . . | 934,000                   |                      | 1,422,000                 |                      |
| e) Co-operative Development . . . . .   | 902,300                   |                      | 1,094,400                 |                      |
| f) Education . . . . .  | 600                       |                      | 7,000                     |                      |
| g) Finance . . . . .  | 87,000                    |                      | 100,200                   |                      |
| h) Health and Social Development . . . . .  | 298,024,000               |                      | 304,504,000               |                      |
| i) Highways . . . . .   | 448,500                   |                      | 482,000                   |                      |
| j) Labour . . . . .   | 19,821,000                |                      | 26,621,000                |                      |
| k) Municipal Affairs . . . . .  | 355,500                   |                      | 491,800                   |                      |
| l) Public Works . . . . .   | 31,000                    |                      | 26,900                    |                      |
| m) Miscellaneous Receipts for Sundry<br>Services . . . . .                                      | 1,689,200                 |                      | 1,564,800                 |                      |
|   | <u>7,856,300</u>          |                      | <u>21,638,200</u>         |                      |
|   | <u>\$338,533,600</u>      | 33.2                 | <u>\$367,752,600</u>      | 31.6                 |
| 4. Natural Resources  |                           |                      |                           |                      |
| a) Agriculture . . . . .  | \$ 283,600                |                      | \$ 301,300                |                      |
| b) Finance . . . . .  | 20,680,000 <sup>(1)</sup> |                      | 19,040,000 <sup>(1)</sup> |                      |
| c) Mines, Resources and Environmental<br>Management . . . . .                                   | 5,167,100                 |                      | 6,216,100                 |                      |
| d) Northern Affairs . . . . .   | 34,000                    |                      | 81,400                    |                      |
| e) Renewable Resources and Transport-<br>ation Services . . . . .                               | 2,543,300                 |                      | 3,530,200                 |                      |
| f) Tourism, Recreation and Cultural<br>Affairs . . . . .  | 1,398,600                 |                      | 2,214,100                 |                      |
|   | <u>\$ 30,106,600</u>      | 2.9                  | <u>\$ 31,383,100</u>      | 2.7                  |
| 5. Government Enterprises<br>(Liquor Control Commission) . . . . .                              | \$ 52,000,000             | 5.1                  | \$ 67,000,000             | 5.8                  |
| 6. Shared-Cost Receipts . . . . .   | <u>\$129,055,800</u>      | 12.6                 | <u>\$124,517,300</u>      | 10.7                 |
|   | <u>\$1,020,996,000</u>    | 100.0                | <u>\$1,163,656,100</u>    | 100.0                |

(1) Includes Mining Royalty Tax, Mining Claim Lease Tax, Mineral Tax, Mineral Acreage Tax, Mineral Tax (Incremental) and Metallic Minerals Tax.

DETAILED SUPPLEMENTARY ESTIMATES  
 OF CURRENT EXPENDITURES  
 OF THE  
 PROVINCE OF MANITOBA  
 For the Fiscal Year Ending March 31st, 1977

| Appropriation No.                             | SERVICE  | Details of Appropriations | Year Ending March 31st, 1977 | Resolution No. |
|---|--|---------------------------|------------------------------|----------------|
| ATTORNEY-GENERAL (IV)                         |  |                           |                              |                |
| 5.  | LAW COURTS . . . . .   | \$ 207,400                |                              | 1              |
|   | (f) Provincial Judges' Courts - (Criminal Division)          |                           |                              |                |
|   | (1) Salaries . . . . .                                       | \$136,900                 |                              |                |
|   | (2) Other Expenditures . . . . .                             | 70,500                    |                              |                |
|   |  | <u>\$207,400</u>          |                              |                |
|   | TOTAL FOR ATTORNEY-GENERAL (IV) . . . . .                    |                           | \$ 207,400                   |                |
| CONSUMER, CORPORATE AND INTERNAL SERVICES (V) |  |                           |                              |                |
| 9.  | RENT STABILIZATION . . . . .                                 | \$ 673,700                |                              | 2              |
|   | TOTAL FOR CONSUMER, CORPORATE AND INTERNAL SERVICES (V)      |                           | \$ 673,700                   |                |
| EDUCATION (XXI)                               |  |                           |                              |                |
| 3.  | FINANCIAL SUPPORT - PUBLIC SCHOOLS . . . . .                 | \$6,764,800               |                              | 3              |
|   | (a) School Grants and Other Assistance . . . . .             | \$6,764,800               |                              |                |
|   | TOTAL FOR EDUCATION (XXI) . . . . .                          |                           | \$6,764,800                  |                |
| FINANCE (VII)                                 |  |                           |                              |                |
| 3.  | FEDERAL-PROVINCIAL RELATIONS AND RESEARCH DIVISION . . . . . | \$5,000,000               |                              | 4              |
|   | (c) Manitoba Tax Credit Office                               |                           |                              |                |
|   | (2) Property Tax Credit Payments . . . . .                   | \$5,000,000               |                              |                |
|   | TOTAL FOR FINANCE (VII) . . . . .                            |                           | \$5,000,000                  |                |
| HEALTH AND SOCIAL DEVELOPMENT (IX)            |  |                           |                              |                |
| 7.  | CORRECTIVE AND REHABILITATIVE SERVICES . . . . .             | \$ 232,100                |                              | 5              |
|   | (b) Manpower and Program Review and Development              |                           |                              |                |
|   | (1) Salaries . . . . .                                       | \$ 59,000                 |                              |                |
|   | (2) Other Expenditures . . . . .                             | 173,100                   |                              |                |
|   |  | <u>\$ 232,100</u>         |                              |                |
|   | (e) Care and Treatment of Adult Offenders:                   |                           |                              |                |
|   | (4) Operation of the Public Safety Building . . . . .        | \$ 500,000                |                              |                |
|   | (g) The Alcoholism Foundation of Manitoba . . . . .          | \$ 75,000                 |                              |                |
|   | TOTAL FOR HEALTH AND SOCIAL DEVELOPMENT (IX) . . . . .       |                           | \$ 807,100                   |                |
| LABOUR (XI)                                   |  |                           |                              |                |
| 10.   | OCCUPATIONAL SAFETY AND HEALTH . . . . .                     | \$ 169,400                |                              | 6              |
|   | (a) Salaries . . . . .                                       | \$ 110,900                |                              |                |
|   | (b) Other Expenditures . . . . .                             | 58,500                    |                              |                |
|   |  | <u>\$ 169,400</u>         |                              |                |
|   | TOTAL FOR LABOUR (XI) . . . . .                              |                           | \$ 169,400                   |                |

| Appropriation No.                                   | SERVICE   | Details of Appropriations | Year Ending March 31st, 1977 | Resolution No. |
|---|---|---------------------------|------------------------------|----------------|
| MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT (XII) |   |                           |                              |                |
| 3.  | MINERAL RESOURCES . . . . .   |                           | \$1,100,000                  | 7              |
|   | (d) Exploration   |                           |                              |                |
|   | (2) Other Expenditures . . . . .  |                           | \$1,100,000                  |                |
|   | (Recoverable from Canada (\$550,000))                                   |                           |                              |                |
| 4.  | WATER MANAGEMENT . . . . .  |                           | \$ 240,000                   | 8              |
|   | (c) Planning  |                           |                              |                |
|   | (1) Salaries and Wages . . . . .  | \$ 120,900                |                              |                |
|   | (2) Other Expenditures . . . . .  | 119,100                   |                              |                |
|   | (Recoverable from Canada (\$120,000))                                   |                           |                              |                |
|   |   |                           | \$ 240,000                   |                |
|   | TOTAL FOR MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT (XII)           |                           | \$1,340,000                  |                |
| PUBLIC WORKS (VIII)                                 |   |                           |                              |                |
| 2.  | OPERATION AND MAINTENANCE OF PROVINCIAL BUILDINGS AND GROUNDS . . . . . |                           | \$ 730,000                   | 9              |
|   | (d) Leased Accommodations   |                           |                              |                |
|   | (2) Other Expenditures . . . . .  | \$ 730,000                |                              |                |
|   | TOTAL FOR PUBLIC WORKS (VIII)   |                           | \$ 730,000                   |                |
| URBAN AFFAIRS (XX)                                  |   |                           |                              |                |
| 1.  | ADMINISTRATION . . . . .  |                           | \$ 200,000                   | 10             |
|   | (d) Urban Projects and Transportation . . . . .                         | \$ 200,000                |                              |                |
|   | TOTAL FOR URBAN AFFAIRS (XX)  |                           | \$ 200,000                   |                |
| CANADA-MANITOBA D.R.E.E. AGREEMENTS (XXII)          |   |                           |                              |                |
| 1.  | CANADA-MANITOBA D.R.E.E. AGREEMENTS . . . . .                           |                           | \$2,644,000                  | 11             |
|   | (Recoverable from Canada (\$1,557,000))                                 |                           |                              |                |
|   | TOTAL FOR CANADA-MANITOBA D.R.E.E. AGREEMENTS (XXII)                    |                           | \$2,644,000                  |                |
|   | TOTAL SUMS TO BE VOTED  |                           | \$18,536,400                 |                |



SUMMARIZED STATEMENT OF DIRECT PUBLIC DEBT  
AS OF MARCH 31, 1975

Funded Debt:

|   |                |
|---|----------------|
| Bonds and Debentures:   |                |
| Payable in Canadian Dollars .....                             | \$ 548,701,695 |
| Payable in United States Dollars.....                         | 190,000,000    |
| Payable in European Units of Account (E.U.A. 21,750,000)..... | 23,419,688     |
| Payable in Swiss Francs (S. Frs. 80,000,000).....             | 20,492,315     |
|   | 782,613,698    |
| Treasury Bills and Other Notes:                               |                |
| Payable in Canadian Dollars.....                              | 161,656,345    |
| Total Funded Debt.....  | 944,270,043    |

Unfunded Debt:

|   |               |
|---|---------------|
| Accrued Interest and Other Charges.....           | 19,281,902    |
| Accounts Payable.....                             | 5,547,603     |
| Funds held in Trust and for Special Purposes..... | 71,791,076    |
|   | 96,620,581    |
| Total Unfunded Debt.....                          | 96,620,581    |
| Total Direct Public Debt.....                     | 1,040,890,624 |

The Province considered the following assets to be proper deductions in arriving at Net Direct Public Debt:

|   |                |
|---|----------------|
| Sinking Funds- Cash and Investments.....                  | 94,536,135     |
| Special Reserve for Retirement of Debt.....               | 21,466,378     |
| Cash held for Debt Retirement.....                        | 7,336,339      |
| Other cash on hand and in Banks - net.....                | 19,009,927     |
| Temporary and Other Investments.....                      | 170,629,949    |
| Debentures of Manitoba Forestry Resources, Ltd.....       | 73,000,000     |
| Advances to Manitoba Hydro .....                          | \$ 246,556,331 |
| Less: Premium on U.S. funds.....                          | 9,486,331      |
|   | 237,070,000    |
| Less: Sinking Funds included above.....                   | 17,405,663     |
|   | 219,664,337    |
| Advances to Manitoba Telephone System.....                | 73,700,000     |
| Less: Sinking Funds included above.....                   | 9,377,124      |
|   | 64,322,876     |
| Advances to Manitoba Housing & Renewal Corp.....          | 26,622,893     |
| Less: Sinking Funds included above.....                   | 537,421        |
|   | 26,085,472     |
| Advances to Manitoba Development Corporation.....         | 40,809,072     |
| Advances to Manitoba Agricultural Credit Corporation..... | 66,582,108     |
| Advances to Municipalities and Schools.....               | 15,542,377     |
| Advances to Leaf Rapids Corporation.....                  | 15,350,000     |
| Others Advances - net.....                                | 20,842,742     |
|   | 855,177,712    |
| Total Deductions.....                                     | 855,177,712    |
| Net Direct Public Debt.....                               | \$ 185,712,912 |

Note: The financial statement of Manitoba Development Corporation shows a deficit on operations of \$46,010,980 at March 31, 1975, after assumption by the Province of all loans relating to The Pas complex.

Source: Department of Finance.

STATEMENT OF GUARANTEES OUTSTANDING  
BY CLASS OF BORROWER

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|   | December 31,<br><u>1974</u> | March 31,<br><u>1975</u> | December 31,<br><u>1975</u> |
|---|-----------------------------|--------------------------|-----------------------------|
| Guaranteed as to Principal and Interest:    |                             |                          |                             |
| Manitoba Hydro                              | \$ 1,097,552,000            | \$ 1,093,175,393         | \$ 1,243,999,326            |
| Manitoba Telephone System                   | 209,158,000                 | 209,158,000              | 219,158,000                 |
| Manitoba Water Services Board               | 5,977,000                   | 5,977,000                | 5,977,000                   |
| Manitoba Development Corporation            | 50,400,000                  | 50,400,000               | 50,400,000                  |
| Manitoba School Capital Financing Authority | 116,000,000                 | 127,000,000              | 132,369,000                 |
| Manitoba Agricultural Credit Corporation    | 8,850,000                   | 8,850,000                | 8,850,000                   |
| University of Manitoba                      | 26,298,186                  | 26,298,186               | 26,181,431                  |
| Hospitals and Other                         | 7,954,107                   | 7,832,504                | 7,540,246                   |
|   | <u>\$ 1,522,189,293</u>     | <u>\$ 1,528,691,083</u>  | <u>\$ 1,694,475,003</u>     |
| Guaranteed as to Interest only:             |                             |                          |                             |
| School Districts                            | \$ 1,417,936                | \$ 1,417,936             | \$ 1,146,434                |
| Municipalities                              | 770,244                     | 770,244                  | 553,832                     |
|   | <u>\$ 2,188,180</u>         | <u>\$ 2,188,180</u>      | <u>\$ 1,700,266</u>         |
|   | <u>\$ 1,524,377,473</u>     | <u>\$ 1,530,879,263</u>  | <u>\$ 1,696,175,269</u>     |

Note: Sinking Funds and other Debt Retirement Funds at December 31, 1975, total:

|  |                       |
|--|-----------------------|
| (a) For General Purpose Debt                       | \$ 96,048,330         |
| (b) For self-sustaining Direct and Guaranteed Debt | 127,742,208           |
|  | <u>\$ 223,790,538</u> |

Source: Department of Finance.

PER CAPITA PROVINCIAL GOVERNMENT REVENUES AND EXPENDITURES  
1975/76 FISCAL YEAR

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| <u>Province</u>      | <u>Per Capita Revenues</u>    |                                  |                       | <u>Per Capita Expenditures**</u> |
|----------------------|-------------------------------|----------------------------------|-----------------------|----------------------------------|
|                      | <u>"Own Source" Revenues*</u> | <u>Transfer Payment Revenues</u> | <u>Total Revenues</u> |                                  |
|                      | \$                            | \$                               | \$                    | \$                               |
| Newfoundland         | 704                           | 762                              | 1,466                 | 1,691                            |
| Prince Edward Island | 695                           | 939                              | 1,634                 | 1,670                            |
| Nova Scotia          | 610                           | 575                              | 1,185                 | 1,224                            |
| New Brunswick        | 684                           | 629                              | 1,313                 | 1,418                            |
| Quebec               | 1,136                         | 354                              | 1,490                 | 1,497                            |
| Ontario              | 938                           | 254                              | 1,192                 | 1,347                            |
| Manitoba             | 803                           | 445                              | 1,248                 | 1,333                            |
| Saskatchewan         | 1,010                         | 356                              | 1,366                 | 1,379                            |
| Alberta              | 1,696                         | 279                              | 1,975                 | 1,657                            |
| British Columbia     | 1,168                         | 277                              | 1,445                 | 1,426                            |
| 10-Province Average  | 1,046                         | 337                              | 1,383                 | 1,428                            |

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Source: Statistics Canada

Population data - June 1, 1975; Revenue and expenditure data - from Statistics Canada publication 68-205 - Provincial Government Finance: Revenue and Expenditure (Estimates) - This publication is the standard reference for comparable provincial finance data.

\*"Own Source" Revenues include all taxation revenues plus natural resource revenues, etc.

\*\*Includes "general purposes" capital expenditures

APPENDIX C - TABLE OF CONTENTSPaper No.

- 1 Comparison of Provincial Income Tax Payable Before and After Manitoba Property and Cost of Living Tax Credits and Surtax (1975 vs. 1976).
- 2 Impact of 1976 Manitoba Surtax.
- 3 Summary of 1976 Manitoba Tax Credit Benefits for Selected Taxpayers.
- 4 Details of the Expanded Manitoba Property Tax Credit Plan.
- 5 Estimated Benefits Under the 1976 Cost of Living Tax Credit Plan.
- 6 1976 Federal and Provincial Income Tax Liabilities and Cost of Living Tax Credits.
- 7 Comparison of Yearly Provincial Tax Liabilities Under Former Government in 1969 and Present Government in 1973 and 1976.
- 8 Comparison of Annual Personal Income Taxes/Credits and Health Insurance Premium Taxes (selected provinces).
- 9 Comparison of Provincial Tax Rates.
- 10 Tobacco Tax Changes.
- 11 Comparison of Corporate Taxable Income and Profits 1968 - 1973.
- 12 Manitoba Succession Duty Statistics.
- 13 Effects of the 1974 Property Tax Credit Plan.
- 14 Income Distribution and Personal Income Tax Incidence in Manitoba.

APPENDIX C — PAPER 1

**COMPARISON OF PROVINCIAL INCOME TAX PAYABLE BEFORE AND AFTER  
MANITOBA PROPERTY AND COST OF LIVING TAX CREDITS AND SURTAX  
(1975 VS 1976)**

TABLE 1 — COMPARISON OF PROVINCIAL INCOME TAX PAYABLE BEFORE AND AFTER MANITOBA PROPERTY AND COST OF LIVING TAX CREDITS AND SURTAX — 1975 VS 1976\* (MARRIED — 2 DEPENDANTS UNDER 16)

| Income Class<br>\$ | 1975                                       |  |  |                     |   | 1976  |  |  |                     |              | CHANGE 1975  |  |                                    |  |              |                             |
|--------------------|--|--|--|---------------------|---|---|--|--|---------------------|--------------|--|--|------------------------------------|--|--------------|-----------------------------|
|                    | Provincial Income Tax Before Credits<br>\$ | Property Tax Credit <sup>1</sup><br>\$ | Cost of Living Tax Credit <sup>2</sup><br>\$ | Total Credits<br>\$ | Provincial Income Tax After Credits<br>\$ | Provincial Income Tax Before Credits and Surtax<br>\$ | Property Tax Credit <sup>1</sup><br>\$ | Cost of Living Tax Credit <sup>3</sup><br>\$ | Total Credits<br>\$ | Surtax<br>\$ | Provincial Income Tax After Credits and Surtax<br>\$ | Provincial Income Tax Savings <sup>4</sup><br>\$ | Property Tax Credit Increase<br>\$ | Cost of Living Tax Credit Increase<br>\$ | Surtax<br>\$ | Total Change (Saving)<br>\$ |
| 4,000              | 0  | 300                                    | 127  | 427                 | (427)                                     | 0   | 350                                    | 141  | 491                 | -            | (491)  | 0  | 50                                 | 14                                       | -            | (64)                        |
| 4,500              | 1  | 300                                    | 126  | 426                 | (425)                                     | 0   | 350                                    | 141  | 491                 | -            | (491)  | 1  | 50                                 | 15                                       | -            | (66)                        |
| 5,000              | 20   | 295                                    | 122  | 416                 | (396)                                     | 1   | 350                                    | 141  | 491                 | -            | (490)  | 19   | 55                                 | 19                                       | -            | (93)                        |
| 6,000              | 95   | 285                                    | 112  | 396                 | (301)                                     | 46  | 340                                    | 131  | 471                 | -            | (425)  | 49   | 55                                 | 19                                       | -            | (123)                       |
| 7,000              | 177  | 275                                    | 102  | 376                 | (189)                                     | 126   | 330                                    | 121  | 451                 | -            | (325)  | 51   | 55                                 | 19                                       | -            | (125)                       |
| 8,000              | 262  | 265                                    | 92   | 356                 | ( 94)                                     | 209   | 320                                    | 111  | 431                 | -            | (222)  | 53   | 55                                 | 19                                       | -            | (127)                       |
| 9,000              | 351  | 255                                    | 82   | 336                 | 15  | 295   | 310                                    | 101  | 411                 | -            | (116)  | 56   | 55                                 | 19                                       | -            | (130)                       |
| 10,000             | 440  | 245                                    | 72   | 316                 | 124                                       | 384   | 300                                    | 91   | 391                 | -            | (7)  | 56   | 55                                 | 19                                       | -            | (130)                       |
| 12,000             | 633  | 225                                    | 52   | 276                 | 357                                       | 567   | 280                                    | 71   | 351                 | -            | 216  | 66   | 55                                 | 19                                       | -            | (140)                       |
| 15,000             | 946  | 195                                    | 22   | 216                 | 730                                       | 867   | 250                                    | 41   | 291                 | -            | 576  | 79   | 55                                 | 19                                       | -            | (153)                       |
| 20,000             | 1,564                                      | 175                                    | 0  | 175                 | 1,389                                     | 1,438   | 200                                    | 0  | 200                 | -            | 1,238  | 126  | 25                                 | 19                                       | -            | (151)                       |
| 25,000             | 2,292                                      | 175                                    | 0  | 175                 | 2,117                                     | 2,126   | 200                                    | 0  | 200                 | 1            | 1,927  | 166  | 25                                 | 0  | 1            | (190)                       |
| 50,000             | 6,306                                      | 175                                    | 0  | 175                 | 6,131                                     | 6,078   | 200                                    | 0  | 200                 | 792          | 6,570  | 228  | 25                                 | 0  | 792          | 539                         |
| 100,000            | 15,865                                     | 175                                    | 0  | 175                 | 15,690                                    | 15,396  | 200                                    | 0  | 200                 | 2,655        | 17,851   | 322  | 25                                 | 0  | 2,655        | 1,891                       |

\* Assumes all income is from wages and salaries.

<sup>1</sup> Assumes sufficient property taxes or rental equivalents to qualify for these benefit levels.

<sup>2</sup> Based on the 1975 basic exemption of \$1,878, the married exemption of \$1,644 and the dependant under age 16 exemption of \$352.

<sup>3</sup> Based on the 1976 basic exemption of \$2,091, the married exemption of \$1,830 and the dependant under 16 exemption of \$392.

<sup>4</sup> Provincial income tax savings result from the indexation of tax exemptions and tax brackets under the federal income tax system. This reduces "basic federal tax" upon which the provincial personal income tax is applied.

NOTE: Figures may not add due to rounding.

TABLE II - COMPARISON OF PROVINCIAL INCOME TAX PAYABLE BEFORE AND AFTER MANITOBA PROPERTY AND COST OF LIVING TAX CREDITS AND SURTAX - 1975 VS 1976\* (MARRIED - NO DEPENDANTS)

| Income Class | 1975                                 |                                  |  |               |                                     | 1976  |                                  |  |               |        | CHANGE OVER 1975                               |  |                              |                                    |        |                       |
|--------------|--------------------------------------|----------------------------------|--|---------------|-------------------------------------|---|----------------------------------|--|---------------|--------|--|--|------------------------------|------------------------------------|--------|-----------------------|
|              | Provincial Income Tax Before Credits | Property Tax Credit <sup>1</sup> | Cost of Living Tax Credit <sup>2</sup> | Total Credits | Provincial Income Tax After Credits | Provincial Income Tax Before Credits and Surtax | Property Tax Credit <sup>1</sup> | Cost of Living Tax Credit <sup>3</sup> | Total Credits | Surtax | Provincial Income Tax After Credits and Surtax | Provincial Income Tax Savings <sup>4</sup> | Property Tax Credit Increase | Cost of Living Tax Credit Increase | Surtax | Total Change (Saving) |
| 3,000        | 0                                    | 300                              | 106                                    | 406           | (406)                               | 0   | 350                              | 118                                    | 468           | -      | (468)  | 0  | 50                           | 12                                 | -      | (62)                  |
| 3,500        | 0                                    | 300                              | 106                                    | 406           | (406)                               | 0   | 350                              | 118                                    | 468           | -      | (468)  | 0  | 50                           | 12                                 | -      | (62)                  |
| 4,000        | 10                                   | 297                              | 103                                    | 401           | (391)                               | 0   | 350                              | 118                                    | 468           | -      | (468)  | 10   | 53                           | 15                                 | -      | (78)                  |
| 4,500        | 34                                   | 293                              | 98                                     | 391           | (356)                               | 9   | 347                              | 114                                    | 461           | -      | (452)  | 25   | 54                           | 16                                 | -      | (96)                  |
| 5,000        | 72                                   | 288                              | 93                                     | 381           | (310)                               | 30  | 342                              | 109                                    | 451           | -      | (421)  | 42   | 54                           | 16                                 | -      | (112)                 |
| 6,000        | 152                                  | 278                              | 83                                     | 361           | (209)                               | 109   | 332                              | 99                                     | 431           | -      | (322)  | 43   | 54                           | 16                                 | -      | (113)                 |
| 7,000        | 237                                  | 268                              | 73                                     | 341           | (104)                               | 190   | 322                              | 89                                     | 411           | -      | (221)  | 47   | 54                           | 16                                 | -      | (117)                 |
| 8,000        | 325                                  | 258                              | 63                                     | 321           | 4                                   | 275   | 312                              | 79                                     | 391           | -      | (116)  | 50   | 54                           | 16                                 | -      | (120)                 |
| 9,000        | 414                                  | 248                              | 53                                     | 301           | 113                                 | 365   | 302                              | 69                                     | 371           | -      | (7)  | 49   | 54                           | 16                                 | -      | (119)                 |
| 10,000       | 506                                  | 238                              | 43                                     | 281           | 225                                 | 454   | 292                              | 59                                     | 351           | -      | 103  | 52   | 54                           | 16                                 | -      | (122)                 |
| 12,000       | 702                                  | 218                              | 23                                     | 241           | 461                                 | 643   | 272                              | 39                                     | 311           | -      | 332  | 59   | 54                           | 16                                 | -      | (129)                 |
| 15,000       | 1,026                                | 188                              | 0                                      | 188           | 839                                 | 951   | 242                              | 9                                      | 251           | -      | 700  | 75   | 54                           | 9                                  | -      | (122)                 |
| 20,000       | 1,656                                | 175                              | 0                                      | 175           | 1,481                               | 1,541   | 200                              | 0                                      | 200           | -      | 1,341  | 115  | 25                           | 0                                  | -      | (140)                 |
| 25,000       | 2,397                                | 175                              | 0                                      | 175           | 2,222                               | 2,243   | 200                              | 0                                      | 200           | 25     | 2,068  | 154  | 25                           | 0                                  | 25     | (154)                 |
| 50,000       | 6,430                                | 175                              | 0                                      | 175           | 6,255                               | 6,207   | 200                              | 0                                      | 200           | 817    | 6,824  | 223  | 25                           | 0                                  | 817    | 569                   |
| 100,000      | 16,006                               | 175                              | 0                                      | 175           | 15,831                              | 15,553  | 200                              | 0                                      | 200           | 2,687  | 18,040   | 453  | 25                           | 0                                  | 2,687  | 2,209                 |

\* Assumes all income is from wages and salaries.

<sup>1</sup> Assumes sufficient property taxes or rental equivalents to qualify for these benefit levels.

<sup>2</sup> Based on the 1975 basic exemption of \$1,878 and the married exemption of \$1,644.

<sup>3</sup> Based on the 1976 basic exemption of \$2,091 and the married exemption of \$1,830.

<sup>4</sup> Provincial income tax savings result from the indexation of tax exemptions and tax brackets under the federal income tax system. This reduces "basic federal tax" upon which the provincial personal income tax is applied.

NOTE: Figures may not add due to rounding.

TABLE III - COMPARISON OF PROVINCIAL INCOME TAX PAYABLE BEFORE AND AFTER MANITOBA PROPERTY AND COST OF LIVING TAX CREDITS AND SURTAX - 1975 VS 1976\* (SINGLE TAXPAYER - NO DEPENDANTS)

| Income Class \$ | 1975                                    |                                     |   |                  |  | 1976   |                                     |   |                  |           | CHANGE OVER 1975                                  |   |                                 |                                       |           |                          |
|-----------------|---|-------------------------------------|---|------------------|--|--|-------------------------------------|---|------------------|-----------|---|---|---------------------------------|---------------------------------------|-----------|--------------------------|
|                 | Provincial Income Tax Before Credits \$ | Property Tax Credit <sup>1</sup> \$ | Cost of Living Tax Credit <sup>2</sup> \$ | Total Credits \$ | Provincial Income Tax After Credits \$ | Provincial Income Tax Before Credits and Surtax \$ | Property Tax Credit <sup>1</sup> \$ | Cost of Living Tax Credit <sup>3</sup> \$ | Total Credits \$ | Surtax \$ | Provincial Income Tax After Credits and Surtax \$ | Provincial Income Tax Savings <sup>4</sup> \$ | Property Tax Credit Increase \$ | Cost of Living Tax Credit Increase \$ | Surtax \$ | Total Change (Saving) \$ |
| 2,000           | 0                                       | 300                                 | 56  | 356              | (356)                                  | 0  | 350                                 | 63  | 413              | -         | (413)   | 0   | 50                              | 7                                     | -         | (57)                     |
| 2,500           | 17                                      | 296                                 | 52  | 347              | (330)                                  | 6  | 348                                 | 60  | 408              | -         | (402)   | 11  | 52                              | 8                                     | -         | (71)                     |
| 3,000           | 49                                      | 291                                 | 47  | 338              | (289)                                  | 22   | 343                                 | 56  | 398              | -         | (377)   | 27  | 52                              | 9                                     | -         | (87)                     |
| 3,500           | 87                                      | 286                                 | 42  | 328              | (241)                                  | 59   | 338                                 | 31  | 389              | -         | (330)   | 28  | 52                              | 9                                     | -         | (89)                     |
| 4,000           | 126                                     | 281                                 | 37  | 318              | (192)                                  | 98   | 333                                 | 46  | 379              | -         | (281)   | 28  | 52                              | 9                                     | -         | (89)                     |
| 4,500           | 166                                     | 276                                 | 32  | 308              | (143)                                  | 137  | 328                                 | 41  | 369              | -         | (233)   | 29  | 52                              | 9                                     | -         | (90)                     |
| 5,000           | 207                                     | 271                                 | 28  | 299              | ( 92)                                  | 176  | 323                                 | 36  | 360              | -         | (184)   | 31  | 52                              | 8                                     | -         | (92)                     |
| 6,000           | 293                                     | 261                                 | 18  | 279              | 14                                     | 261  | 313                                 | 26  | 340              | -         | (79)  | 32  | 52                              | 8                                     | -         | (93)                     |
| 7,000           | 382                                     | 251                                 | 8   | 259              | 123                                    | 349  | 303                                 | 16  | 320              | -         | 30  | 33  | 52                              | 8                                     | -         | (94)                     |
| 8,000           | 472                                     | 241                                 | 0   | 241              | 230                                    | 439  | 293                                 | 6   | 300              | -         | 139   | 33  | 52                              | 6                                     | -         | (92)                     |
| 9,000           | 569                                     | 231                                 | 0   | 231              | 338                                    | 529  | 283                                 | 0   | 283              | -         | 246   | 40  | 52                              | 0                                     | -         | (92)                     |
| 10,000          | 667                                     | 221                                 | 0   | 221              | 446                                    | 627  | 273                                 | 0   | 273              | -         | 353   | 40  | 52                              | 0                                     | -         | (92)                     |
| 12,000          | 877                                     | 201                                 | 0   | 201              | 675                                    | 826  | 253                                 | 0   | 253              | -         | 573   | 51  | 52                              | 0                                     | -         | (103)                    |
| 15,000          | 1,215                                   | 175                                 | 0   | 175              | 1,040                                  | 1,153  | 223                                 | 0   | 223              | -         | 929   | 62  | 48                              | 0                                     | -         | (110)                    |
| 20,000          | 1,897                                   | 175                                 | 0   | 175              | 1,722                                  | 1,782  | 200                                 | 0   | 200              | -         | 1,582   | 115   | 25                              | 0                                     | -         | (140)                    |
| 25,000          | 2,641                                   | 175                                 | 0   | 175              | 2,466                                  | 2,515  | 200                                 | 0   | 200              | -         | 2,394   | 126   | 25                              | 0                                     | 79        | (72)                     |
| 50,000          | 6,730                                   | 175                                 | 0   | 175              | 6,555                                  | 6,511  | 200                                 | 0   | 200              | 878       | 7,189   | 219   | 25                              | 0                                     | 878       | 634                      |
| 100,000         | 16,334                                  | 175                                 | 0   | 175              | 16,159                                 | 15,918   | 200                                 | 0   | 200              | 2,759     | 18,477  | 416   | 25                              | 0                                     | 2,759     | 2,318                    |

\* Assumes all income is from wages and salaries.

<sup>1</sup> Assumes sufficient property taxes or rental equivalents to qualify for these benefit levels.

<sup>2</sup> Based on the 1975 basic exemption of \$1,878.

<sup>3</sup> Based on the 1976 basic exemption of \$2,091.

<sup>4</sup> Provincial income tax savings result from the indexation of tax exemptions and tax brackets under the federal income tax system. This reduces "basic federal tax" upon which the provincial personal income tax is applied.

NOTE: Figures may not add due to rounding.

## APPENDIX C — PAPER 2

## IMPACT OF 1976 MANITOBA SURTAX

TABLE I

IMPACT OF MANITOBA'S SURTAX AT SELECTED  
INCOME LEVELS FOR VARIOUS FAMILY SIZES\*

| Gross<br>Income<br>Level<br>\$ | Single<br>Taxpayer* | Married<br>Taxpayer -<br>No Dependents* | Married<br>Taxpayer -<br>Two Dependents*<br>Under 16 |
|--------------------------------|---------------------|---|--|
| \$                             | \$                  | \$                                      | \$   |
| 4,000                          | 0                   | 0                                       | 0  |
| 5,000                          | 0                   | 0                                       | 0  |
| 6,000                          | 0                   | 0                                       | 0  |
| 7,000                          | 0                   | 0                                       | 0  |
| 8,000                          | 0                   | 0                                       | 0  |
| 9,000                          | 0                   | 0                                       | 0  |
| 10,000                         | 0                   | 0                                       | 0  |
| 15,000                         | 0                   | 0                                       | 0  |
| 20,000                         | 0                   | 0                                       | 0  |
| 25,000                         | 79                  | 25                                      | 1  |
| 30,000                         | 227                 | 173                                     | 150  |
| 40,000                         | 546                 | 486                                     | 460  |
| 50,000                         | 878                 | 817                                     | 792  |
| 75,000                         | 1,780               | 1,714                                   | 1,685  |
| 100,000                        | 2,759               | 2,687                                   | 2,655  |

\*The provincial surtax is calculated as 20% of provincial tax payable in excess of \$2,120 (the provincial tax payable at \$20,000 taxable income). The minimum levels of gross income at which the surtax becomes effective are \$22,341 for single taxpayers, \$24,171 for married couples, and \$24,955 for married couples with two dependants. In no case does the surtax exceed 4% of taxable income.



TABLE II

COMPARISON OF PROVINCIAL SURTAX WITH PROVINCIAL  
TAX SAVINGS SINCE 1971\*

| TAXABLE<br>INCOME<br>----- | (Dollars)                                   |   |       | 1976<br>YEARLY SAVINGS<br>IN PROVINCIAL<br>INCOME TAXES<br>(1976 OVER 1971) | 1976<br>SURTAX<br>----- |
|----------------------------|---|---|-------|---|-------------------------|
|                            | PROVINCIAL<br>INCOME<br>TAXES 1971<br>----- | PROVINCIAL<br>INCOME<br>TAXES 1976**<br>----- |       |   |                         |
| 20,000                     | 2,465                                       | 2,120   | 345   | 0   |                         |
| 30,000                     | 4,317                                       | 3,607   | 710   | 297   |                         |
| 40,000                     | 6,267                                       | 5,241   | 1,026 | 624   |                         |
| 50,000                     | 8,214                                       | 6,899   | 1,513 | 956   |                         |
| 60,000                     | 10,557                                      | 8,710   | 1,847 | 1,318   |                         |
| 70,000                     | 12,897                                      | 10,537  | 2,360 | 1,683   |                         |
| 80,000                     | 15,237                                      | 12,392  | 2,845 | 2,054   |                         |
| 90,000                     | 17,577                                      | 14,389  | 3,188 | 2,453   |                         |
| 100,000                    | 20,112                                      | 16,386  | 3,762 | 2,853   |                         |

\*This table shows only the savings in provincial income tax due to tax rate and tax bracket changes introduced by the federal government since 1971. It does not include the additional tax savings that result from the indexation of personal exemptions, new deductions, and expanded transferability provisions.

\*\*Excludes surtax

APPENDIX C - PAPER 3

SUMMARY OF 1976 MANITOBA TAX CREDIT BENEFITS  
FOR SELECTED TAXPAYERS

1976 MANITOBA TAX CREDIT BENEFITS FOR SELECTED TAXPAYERS BY GROSS INCOME

| GROSS INCOME | SINGLE TAXPAYER - NO DEPENDANTS <sup>1</sup> |  |                | MARRIED TAXPAYER - NO DEPENDANTS <sup>1</sup> |  |                | MARRIED TAXPAYER - TWO DEPENDANTS <sup>1</sup> |  |                | MARRIED TAXPAYER OVER 65 YEARS <sup>2</sup> |  |                |
|--------------|--|--|----------------|---|--|----------------|--|--|----------------|---|--|----------------|
|              | PROPERTY TAX CREDIT <sup>3</sup>             | COST OF LIVING TAX CREDIT <sup>4</sup> | TOTAL BENEFITS | PROPERTY TAX CREDIT <sup>3</sup>              | COST OF LIVING TAX CREDIT <sup>4</sup> | TOTAL BENEFITS | PROPERTY TAX CREDIT <sup>3</sup>               | COST OF LIVING TAX CREDIT <sup>4</sup> | TOTAL BENEFITS | PROPERTY TAX CREDIT <sup>3</sup>            | COST OF LIVING TAX CREDIT <sup>4</sup> | TOTAL BENEFITS |
| 2,200        | 350.00                                       | 62.73                                  | 412.73         | 350.00  | 117.63                                 | 467.63         | 350.00   | 141.15                                 | 491.15         | 350.00                                      | 156.84                                 | 506.84         |
| 2,300        | 349.60                                       | 62.33                                  | 411.93         | 350.00  | 117.63                                 | 467.63         | 350.00   | 141.15                                 | 491.15         | 350.00                                      | 156.84                                 | 506.84         |
| 2,400        | 348.63                                       | 61.36                                  | 409.99         | 350.00  | 117.63                                 | 467.63         | 350.00   | 141.15                                 | 491.15         | 350.00                                      | 156.84                                 | 506.84         |
| 2,500        | 347.66                                       | 60.39                                  | 408.05         | 350.00  | 117.63                                 | 467.63         | 350.00   | 141.15                                 | 491.15         | 350.00                                      | 156.84                                 | 506.84         |
| 3,000        | 342.81                                       | 55.54                                  | 398.35         | 350.00  | 117.63                                 | 467.63         | 350.00   | 141.15                                 | 491.15         | 350.00                                      | 156.84                                 | 506.84         |
| 3,500        | 337.96                                       | 50.69                                  | 388.65         | 350.00  | 117.63                                 | 467.63         | 350.00   | 141.15                                 | 491.15         | 350.00                                      | 156.84                                 | 506.84         |
| 4,000        | 333.11                                       | 45.84                                  | 378.95         | 350.00  | 117.63                                 | 467.63         | 350.00   | 141.15                                 | 491.15         | 350.00                                      | 156.84                                 | 506.84         |
| 4,500        | 328.26                                       | 40.99                                  | 369.25         | 346.56  | 114.19                                 | 460.75         | 350.00   | 141.15                                 | 491.15         | 350.00                                      | 156.84                                 | 506.84         |
| 5,000        | 323.41                                       | 36.14                                  | 359.55         | 341.71  | 109.34                                 | 451.05         | 349.55   | 140.70                                 | 490.25         | 350.00                                      | 156.84                                 | 506.84         |
| 5,500        | 318.41                                       | 31.14                                  | 349.55         | 336.71  | 104.34                                 | 441.05         | 344.55   | 135.70                                 | 480.25         | 350.00                                      | 156.84                                 | 506.84         |
| 6,000        | 313.41                                       | 26.14                                  | 339.55         | 331.71  | 99.34                                  | 431.05         | 339.55   | 130.70                                 | 470.25         | 350.00                                      | 156.84                                 | 506.84         |
| 6,500        | 308.41                                       | 21.14                                  | 329.55         | 326.71  | 94.34                                  | 421.05         | 334.55   | 125.70                                 | 460.25         | 346.95                                      | 153.79                                 | 500.74         |
| 7,000        | 303.41                                       | 16.14                                  | 319.55         | 321.71  | 89.34                                  | 411.05         | 329.55   | 120.70                                 | 450.25         | 341.95                                      | 148.79                                 | 490.74         |
| 7,500        | 298.41                                       | 11.14                                  | 309.55         | 316.71  | 84.34                                  | 401.05         | 324.55   | 115.70                                 | 440.25         | 336.95                                      | 143.79                                 | 480.74         |
| 8,000        | 293.41                                       | 6.14                                   | 299.55         | 311.71  | 79.34                                  | 391.05         | 319.55   | 110.70                                 | 430.25         | 331.95                                      | 138.79                                 | 470.74         |
| 8,500        | 288.41                                       | 1.14                                   | 289.55         | 306.71  | 74.34                                  | 381.05         | 314.55   | 105.70                                 | 420.25         | 326.95                                      | 133.79                                 | 460.74         |
| 9,000        | 283.41                                       | 0                                      | 283.41         | 301.71  | 69.34                                  | 371.05         | 309.55   | 100.70                                 | 410.25         | 321.95                                      | 128.79                                 | 450.74         |
| 9,500        | 278.41                                       | 0                                      | 278.41         | 296.71  | 64.34                                  | 361.05         | 304.55   | 95.70                                  | 400.25         | 316.95                                      | 123.79                                 | 440.74         |
| 10,000       | 273.41                                       | 0                                      | 273.41         | 291.71  | 59.34                                  | 351.05         | 299.55   | 90.70                                  | 390.25         | 311.95                                      | 118.79                                 | 430.74         |
| 11,000       | 263.41                                       | 0                                      | 263.41         | 281.71  | 49.34                                  | 331.05         | 289.55   | 80.70                                  | 370.25         | 301.95                                      | 108.79                                 | 410.74         |
| 12,000       | 253.41                                       | 0                                      | 253.41         | 271.71  | 39.34                                  | 311.05         | 279.55   | 70.70                                  | 350.25         | 291.95                                      | 98.79                                  | 390.74         |
| 13,000       | 243.41                                       | 0                                      | 243.41         | 261.71  | 29.34                                  | 291.05         | 269.55   | 60.70                                  | 330.25         | 281.95                                      | 88.79                                  | 370.74         |
| 14,000       | 233.41                                       | 0                                      | 233.41         | 251.71  | 19.34                                  | 271.05         | 259.55   | 50.70                                  | 310.25         | 271.95                                      | 78.79                                  | 350.74         |
| 15,000       | 223.41                                       | 0                                      | 223.41         | 241.71  | 9.34                                   | 251.05         | 249.55   | 40.70                                  | 290.25         | 261.95                                      | 68.79                                  | 330.74         |
| 16,000       | 213.41                                       | 0                                      | 213.41         | 231.71  | 0                                      | 231.71         | 239.55   | 30.70                                  | 270.25         | 251.95                                      | 58.79                                  | 310.74         |
| 17,000       | 203.41                                       | 0                                      | 203.41         | 221.71  | 0                                      | 221.71         | 229.55   | 20.70                                  | 250.25         | 241.95                                      | 48.79                                  | 290.74         |
| 18,000       | 200.00                                       | 0                                      | 200.00         | 211.71  | 0                                      | 211.71         | 219.55   | 10.70                                  | 230.25         | 231.95                                      | 38.79                                  | 270.74         |
| 19,000       | 200.00                                       | 0                                      | 200.00         | 201.71  | 0                                      | 201.71         | 209.55   | .70                                    | 210.25         | 221.95                                      | 28.79                                  | 250.74         |
| 20,000       | 200.00                                       | 0                                      | 200.00         | 200.00  | 0                                      | 200.00         | 200.00   | 0                                      | 200.00         | 211.95                                      | 18.79                                  | 230.74         |
| 21,000       | 200.00                                       | 0                                      | 200.00         | 200.00  | 0                                      | 200.00         | 200.00   | 0                                      | 200.00         | 201.95                                      | 8.79                                   | 210.74         |
| 22,000       | 200.00                                       | 0                                      | 200.00         | 200.00  | 0                                      | 200.00         | 200.00   | 0                                      | 200.00         | 200.00                                      | 0                                      | 200.00         |
| 23,000       | 200.00                                       | 0                                      | 200.00         | 200.00  | 0                                      | 200.00         | 200.00   | 0                                      | 200.00         | 200.00                                      | 0                                      | 200.00         |
| 24,000       | 200.00                                       | 0                                      | 200.00         | 200.00  | 0                                      | 200.00         | 200.00   | 0                                      | 200.00         | 200.00                                      | 0                                      | 200.00         |
| 25,000       | 200.00                                       | 0                                      | 200.00         | 200.00  | 0                                      | 200.00         | 200.00   | 0                                      | 200.00         | 200.00                                      | 0                                      | 200.00         |

<sup>1</sup> All income is assumed to be from wages and salaries.

<sup>2</sup> All income is assumed to be pension income. The spouse is presumed to be under age 65.

<sup>3</sup> Assumes sufficient property taxes or rental equivalents for these benefit levels.

<sup>4</sup> Benefits are based on personal exemptions using the basic exemption of \$2,091, the married exemption of \$1,830, the dependant under 16 exemption of \$392 and the age exemption of \$1,307.

## APPENDIX C — PAPER 4

**DETAILS OF THE EXPANDED 1976  
MANITOBA PROPERTY TAX CREDIT PLAN**

Under the expanded Manitoba Property Tax Credit Plan, maximum benefits have been increased to \$350 for 1976 from \$300 for 1975 and general minimum benefits have been increased to \$200 for 1976 from \$175 for 1975. The newly increased minimum benefits represent a property tax reduction of about 33 mills on a home assessed at \$6,000, while the expanded maximum is roughly equivalent to a property tax reduction of about 58 mills on the same house.

As in previous years, benefits within this range are calculated under a formula which relates the size of benefits to ability-to-pay. Thus, a person's maximum potential entitlement is reduced by 1% of his/her taxable income - or one dollar for each \$100 in taxable income - to the general minimum entitlement of \$200. Thus, while those with higher taxable incomes are eligible for smaller benefits, the general minimum of \$200 ensures that this level of assistance is made available to all eligible Manitobans.

In order to ensure that no taxfiler receives more in property tax credit than was paid in property taxes (which for tenants is deemed to be 20% of rent) credit benefits may not exceed the taxfiler's total property tax. Of course, in all such cases where the potential credit entitlement is greater than the actual property tax, the credit completely offsets the property tax.

Benefits under the Manitoba Property Tax Credit Plan are made available in two ways:

- (1) Through the income tax system. Benefits may be obtained by filing a 1976 income tax return and Manitoba credit form. In this case, credit benefits will be received either in the form of a reduction in income taxes or in the form of a cheque - to be sent to eligible claimants by the federal Department of National Revenue on behalf of the province.
- (2) Through the property tax system. Resident owners of single dwelling units are entitled to receive the general minimum credit benefit of \$200 as a reduction - called Manitoba Government Property Tax Credit-Resident Homeowner Advance - on their property tax statements. This payment is part of the recipient's total property tax credit entitlement. Any remaining or net property tax credit entitlement may be claimed by filing a 1976 income tax return and Manitoba credit form.

All individuals resident in the province at the end of the current taxation year may claim a 1976 property tax credit except:

- those under the age of 16;
- those living in the home of and claimed as a dependant by another taxfiler;
- those with no property tax burdens.

Following are two tables which illustrate the benefits made available under the expanded Manitoba Property Tax Credit Plan and their distribution. Also following is an analysis of the effects of the 1974 Manitoba Property Tax Credit Plan.

TABLE I

ESTIMATED BENEFITS PROVIDED BY THE 1976  
MANITOBA PROPERTY TAX CREDIT PLAN TO VARIOUS TYPICAL TAXPAYERS\*

| (Dollars)               |  |   |  |   |
|-------------------------|--|---|--|---|
| <u>Gross<br/>Income</u> | <u>Single Tax-<br/>Payer<sup>1</sup></u> | <u>Married Tax-<br/>Payer - No<br/>Dependants</u> | <u>Married Tax-<br/>Payer - Two<br/>Dependants</u> | <u>Married<br/>Taxpayer<br/>Over 65<sup>2</sup></u> |
| 2,200                   | 350.00                                   | 350.00  | 350.00   | 350.00  |
| 2,300                   | 349.60                                   | 350.00  | 350.00   | 350.00  |
| 2,400                   | 348.63                                   | 350.00  | 350.00   | 350.00  |
| 2,500                   | 347.66                                   | 350.00  | 350.00   | 350.00  |
| 3,000                   | 342.81                                   | 350.00  | 350.00   | 350.00  |
| 3,500                   | 337.96                                   | 350.00  | 350.00   | 350.00  |
| 4,000                   | 333.11                                   | 350.00  | 350.00   | 350.00  |
| 4,500                   | 328.26                                   | 346.56  | 350.00   | 350.00  |
| 5,000                   | 323.41                                   | 341.71  | 349.55   | 350.00  |
| 5,500                   | 318.41                                   | 336.71  | 344.55   | 350.00  |
| 6,000                   | 315.41                                   | 331.71  | 339.55   | 350.00  |
| 6,500                   | 308.41                                   | 326.71  | 334.55   | 346.95  |
| 7,000                   | 303.41                                   | 321.71  | 329.55   | 341.95  |
| 7,500                   | 298.41                                   | 316.71  | 324.55   | 336.95  |
| 8,000                   | 293.41                                   | 311.71  | 319.55   | 331.95  |
| 8,500                   | 288.41                                   | 306.71  | 314.55   | 326.95  |
| 9,000                   | 283.41                                   | 301.71  | 309.55   | 321.95  |
| 9,500                   | 278.41                                   | 296.71  | 304.55   | 316.95  |
| 10,000                  | 273.41                                   | 291.71  | 299.55   | 311.95  |
| 11,000                  | 263.41                                   | 281.71  | 289.55   | 301.95  |
| 12,000                  | 253.41                                   | 271.71  | 279.55   | 291.95  |
| 13,000                  | 243.41                                   | 261.71  | 269.55   | 281.95  |
| 14,000                  | 233.41                                   | 251.71  | 259.55   | 271.95  |
| 15,000                  | 223.41                                   | 241.71  | 249.55   | 261.95  |
| 16,000                  | 203.41                                   | 231.71  | 239.55   | 251.95  |
| 17,000                  | 200.00                                   | 221.71  | 229.55   | 241.95  |
| 18,000                  | 200.00                                   | 211.71  | 219.55   | 231.95  |
| 19,000                  | 200.00                                   | 201.71  | 209.55   | 221.95  |
| 20,000                  | 200.00                                   | 200.00  | 200.00   | 211.95  |
| 21,000                  | 200.00                                   | 200.00  | 200.00   | 201.95  |
| 22,000                  | 200.00                                   | 200.00  | 200.00   | 200.00  |
| 23,000                  | 200.00                                   | 200.00  | 200.00   | 200.00  |
| 24,000                  | 200.00                                   | 200.00  | 200.00   | 200.00  |
| 25,000                  | 200.00                                   | 200.00  | 200.00   | 200.00  |

\* All examples assume sufficient property taxes or rental equivalents to qualify for these benefit levels.

<sup>1</sup>All income is assumed to be from wages and salaries.

<sup>2</sup>All income is assumed to be pension income. The spouse is assumed to be under age 65.

AVAILABILITY OF BENEFITS UNDER THE 1976 MANITOBA PROPERTY  
TAX CREDIT PLAN - BY MARITAL STATUS AND INCOME CLASS\*

| Gross Income<br>Class | Single Taxpayer <sup>1</sup> |                                     | Married Taxpayer <sup>1</sup><br>No Dependants |                                     | Married Taxpayer <sup>2</sup><br>Two Dependants |                                     | Over 65's <sup>3</sup>  |                                     | Farmers <sup>4</sup>    |                                     |
|-----------------------|------------------------------|-------------------------------------|--|-------------------------------------|---|-------------------------------------|-------------------------|-------------------------------------|-------------------------|-------------------------------------|
|                       | Average<br>Credit<br>\$      | % of This<br>Group in<br>This Class | Average<br>Credit<br>\$                        | % of This<br>Group in<br>This Class | Average<br>Credit<br>\$                         | % of This<br>Group in<br>This Class | Average<br>Credit<br>\$ | % of This<br>Group in<br>This Class | Average<br>Credit<br>\$ | % of This<br>Group in<br>This Class |
| Under - 5,000         | 337.37                       | 46.9                                | 341.65   | 23.6                                | 342.46  | 3.6                                 | 344.85                  | 60.5                                | 339.03                  | 30.6                                |
| 5,000 - 9,999         | 293.23                       | 31.5                                | 295.07   | 30.5                                | 310.53  | 17.5                                | 320.63                  | 25.3                                | 312.38                  | 32.9                                |
| 10,000 - 14,999       | 265.38                       | 13.8                                | 282.72   | 22.9                                | 283.36  | 25.8                                | 297.87                  | 8.2                                 | 288.32                  | 16.2                                |
| 15,000 - 19,999       | 231.40                       | 5.0                                 | 247.19   | 12.7                                | 243.80  | 25.8                                | 256.13                  | 3.0                                 | 250.61                  | 8.7                                 |
| 20,000 - 24,999       | 200.00                       | 1.6                                 | 220.53   | 4.7                                 | 220.67  | 14.7                                | 238.77                  | 1.2                                 | 233.62                  | 4.7                                 |
| 25,000 and Over       | 200.00                       | 1.2                                 | 200.00   | 5.6                                 | 200.00  | 12.6                                | 200.00                  | 1.8                                 | 200.00                  | 6.9                                 |
|                       |                              | 100.0                               |  | 100.0                               |   | 100.0                               |                         | 100.0                               |                         | 100.0                               |

\*This table was developed from 1973 income tax statistics which were adjusted to reflect 1976 income levels and to take into account income tax changes since 1973. All examples assume sufficient property taxes or rental equivalents to qualify for these benefit levels.

<sup>1</sup>Average credit benefits are higher than might be expected due to the inclusion of pensioners who have higher entitlements.

<sup>2</sup>Average credit benefits are higher than might be expected due to the inclusion of dependants over age 16.

<sup>3</sup>"Over 65's" includes only those persons over age 65 who filed personal income tax returns in 1973.

<sup>4</sup>"Farmers" includes only those who filed personal income tax returns in 1973 whose principal source of income was from farming.

## APPENDIX C — PAPER 5

ESTIMATED BENEFITS UNDER THE 1976 MANITOBA  
COST OF LIVING TAX CREDIT PLAN

TABLE I

ESTIMATED BENEFITS PROVIDED BY THE 1976  
MANITOBA COST OF LIVING TAX CREDIT PLAN TO VARIOUS TYPICAL TAXPAYERS\*

| Gross<br>Income | (Dollars)                         |  |   |   |
|-----------------|-----------------------------------|--|---|---|
|                 | Single Tax-<br>Payer <sup>1</sup> | Married Tax-<br>Payer - No<br>Dependants | Married Tax-<br>Payer - Two<br>Dependants | Married<br>Taxpayer<br>Over 65 <sup>2</sup> |
| 2,200           | 62.73                             | 117.63                                   | 141.15                                    | 156.84                                      |
| 2,300           | 62.33                             | 117.63                                   | 141.15                                    | 156.84                                      |
| 2,400           | 61.36                             | 117.63                                   | 141.15                                    | 156.84                                      |
| 2,500           | 60.39                             | 117.63                                   | 141.15                                    | 156.84                                      |
| 3,000           | 55.54                             | 117.63                                   | 141.15                                    | 156.84                                      |
| 3,500           | 50.69                             | 117.63                                   | 141.15                                    | 156.84                                      |
| 4,000           | 45.84                             | 117.63                                   | 141.15                                    | 156.84                                      |
| 4,500           | 40.99                             | 114.19                                   | 141.15                                    | 156.84                                      |
| 5,000           | 36.14                             | 109.34                                   | 140.70                                    | 156.84                                      |
| 5,500           | 31.14                             | 104.34                                   | 135.70                                    | 156.84                                      |
| 6,000           | 26.14                             | 99.34                                    | 130.70                                    | 156.84                                      |
| 6,500           | 21.14                             | 94.34                                    | 125.70                                    | 153.79                                      |
| 7,000           | 16.14                             | 89.34                                    | 120.70                                    | 148.79                                      |
| 7,500           | 6.14                              | 84.34                                    | 115.70                                    | 143.79                                      |
| 8,000           | 1.14                              | 79.34                                    | 110.70                                    | 138.79                                      |
| 8,500           | 0                                 | 74.34                                    | 105.70                                    | 133.79                                      |
| 9,000           | 0                                 | 69.34                                    | 100.70                                    | 128.79                                      |
| 9,500           | 0                                 | 64.34                                    | 95.70                                     | 123.79                                      |
| 10,000          | 0                                 | 59.34                                    | 90.70                                     | 118.79                                      |
| 11,000          | 0                                 | 49.34                                    | 80.70                                     | 108.79                                      |
| 12,000          | 0                                 | 49.34                                    | 70.70                                     | 98.79                                       |
| 13,000          | 0                                 | 29.34                                    | 60.70                                     | 88.79                                       |
| 14,000          | 0                                 | 19.34                                    | 50.70                                     | 78.79                                       |
| 15,000          | 0                                 | 9.34                                     | 40.70                                     | 68.79                                       |
| 16,000          | 0                                 | 0  | 30.70                                     | 58.79                                       |
| 17,000          | 0                                 | 0  | 20.70                                     | 48.79                                       |
| 18,000          | 0                                 | 0  | 10.70                                     | 38.79                                       |
| 19,000          | 0                                 | 0  | .70                                       | 28.79                                       |
| 20,000          | 0                                 | 0  | 0   | 18.79                                       |
| 21,000          | 0                                 | 0  | 0   | 8.79  |
| 22,000          | 0                                 | 0  | 0   | -   |
| 23,000          | 0                                 | 0  | 0   | -   |
| 24,000          | 0                                 | 0  | 0   | -   |
| 25,000          | 0                                 | 0  | 0   | -   |

\*In calculating credit benefit levels, the 1976 exemption levels of \$2,091 single exemption, \$1,830 married exemption, \$392 dependent under 16 years of age exemption and \$1,307 age exemption were used.

<sup>1</sup>All income is assumed to be from wages and salaries.

<sup>2</sup>All income is assumed to be pension income. The spouse is assumed to be under age 65.

TABLE II

AVAILABILITY OF BENEFITS UNDER THE 1976 MANITOBA COST OF LIVING  
TAX CREDIT PLAN BY MARITAL STATUS AND INCOME CLASS\*

| Gross Income<br>Class | Single Taxpayer <sup>1</sup> |                                     | Married Taxpayer <sup>1</sup><br>No Dependents |                                     | Married Taxpayer <sup>2</sup><br>Two Dependents |                                     | Over 65's <sup>3</sup> |                                     | Farmers <sup>4</sup> |                                     |
|-----------------------|------------------------------|-------------------------------------|--|-------------------------------------|---|-------------------------------------|------------------------|-------------------------------------|----------------------|-------------------------------------|
|                       | Average<br>Credit            | % of This<br>Group in<br>This Class | Average<br>Credit                              | % of This<br>Group in<br>This Class | Average<br>Credit                               | % of This<br>Group in<br>This Class | Average<br>Credit      | % of This<br>Group in<br>This Class | Average<br>Credit    | % of This<br>Group in<br>This Class |
| \$                    | \$                           |                                     | \$   |                                     | \$  |                                     | \$                     |                                     | \$                   |                                     |
| Under - 5,000         | 67.30                        | 46.9                                | 146.33   | 23.6                                | 140.73  | 3.6                                 | 113.71                 | 60.5                                | 100.80               | 30.6                                |
| 5,000 - 9,999         | 25.66                        | 31.5                                | 115.02   | 30.5                                | 117.31  | 17.5                                | 114.04                 | 25.3                                | 103.90               | 32.9                                |
| 10,000 - 14,999       | 2.58                         | 13.8                                | 56.40  | 22.9                                | 67.51   | 25.8                                | 81.41                  | 8.2                                 | 66.68                | 16.2                                |
| 15,000 - 19,999       | .32                          | 5.0                                 | 19.91  | 12.7                                | 31.27   | 25.8                                | 48.77                  | 3.0                                 | 38.84                | 8.7                                 |
| 20,000 - 24,999       | .45                          | 1.6                                 | 4.37   | 4.7                                 | 3.61  | 14.7                                | 16.27                  | 1.2                                 | 16.66                | 4.7                                 |
| 25,000 and Over       | 1.41                         | 1.2                                 | 1.30   | 5.6                                 | .36   | 12.6                                | 2.14                   | 1.8                                 | 5.15                 | 6.9                                 |
| TOTAL                 |                              | 100.0                               |  | 100.0                               |   | 100.0                               |                        | 100.0                               |                      | 100.0                               |

\*This table was developed from 1973 income tax statistics which were adjusted to reflect 1976 income levels and to take into account income tax changes since 1973.

<sup>1</sup>Average credit benefits are higher than the normal maximum for these groups due to the inclusion of pensioners who have higher entitlements.

<sup>2</sup>Average credit benefits are higher than the normal maximum for this group due to the inclusion of dependants over age 16.

<sup>3</sup>"Over 65's" includes only those persons over 65 years of age who filed a personal income tax return in 1973.

<sup>4</sup>"Farmers" includes only those persons who filed a personal income tax return in 1973 and whose principal source of income was from farming.

## APPENDIX C — PAPER 6

1976 FEDERAL AND PROVINCIAL  
INCOME TAX LIABILITIES AND COST OF LIVING TAX CREDITS

As a result of the design of the national income tax system and certain federal tax changes, an apparently anomalous situation arises in certain low income ranges where some taxpayers have no nominal federal income tax liability but some provincial income tax liability.

If the effects of the Cost of Living Tax Credit Plan are taken into account, however, provincial income tax payable is eliminated in almost all cases where federal income taxes have been eliminated by the general federal income tax reduction.\* In fact, benefits available under the Cost of Living Tax Credit Plan are sufficient to eliminate provincial income tax liabilities in many cases where the taxfiler has to pay federal income tax. For example, a married taxpayer with two dependant children under 16 who pays no provincial income tax but receives a net credit from the province as a result of the Cost of Living Tax Credit up to a taxable income level of \$1,900 (gross income of \$6,855), is required to pay about \$70 in federal income tax after the federal reduction is taken into account.

The Cost of Living Tax Credit Plan has an important advantage over the federal income tax reduction in that the tax credit plan provides assistance in a much more equitable manner. Under the federal reduction measure, no assistance is provided to those with no taxable income, no direct account is taken of family size, and the benefits generally increase as taxable income increases up to a taxable income level of \$23,607, after which the reduction remains at the \$500 maximum level.

In contrast, under the Cost of Living Tax Credit Plan, benefits are directly related to family size as reflected in personal income tax exemptions and to ability to pay as reflected in taxable income. Thus, those with larger families and larger personal exemptions are eligible for larger potential benefits. Those with no taxable income receive maximum benefits, and the credit entitlement declines as taxable incomes and ability to pay increase.

Following are four tables which compare the impact of the Manitoba Cost of Living Tax Credit Plan and the federal reduction measure on the respective federal and provincial income tax liabilities facing taxfilers with low taxable incomes.

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\*The 1976 federal income tax reduction is equal to 8% of basic federal tax (minimum \$200 or basic federal tax, whichever is smaller, maximum \$500).



ESTIMATED EFFECT OF THE 1976 COST OF LIVING TAX CREDIT PLAN  
ON PROVINCIAL INCOME TAX LIABILITIES FOR  
A MARRIED TAXPAYER WITH TWO DEPENDANTS UNDER 16

(Dollars)

TABLE I

| <u>Taxable Income</u> | <u>Gross Provincial Income Tax Payable</u> | <u>Cost of Living Tax Credit*</u> | <u>Net Provincial Income Tax Payable**</u> | <u>Federal Tax Payable After Federal Reduction***</u> |
|-----------------------|--|-----------------------------------|--|---|
| 0                     | 0  | 141.15                            | (141.15)                                   | 0   |
| 100                   | 2.55                                       | 140.15                            | (137.60)                                   | 0   |
| 200                   | 5.10                                       | 139.15                            | (134.05)                                   | 0   |
| 300                   | 7.65                                       | 138.15                            | (130.50)                                   | 0   |
| 400                   | 10.20                                      | 137.15                            | (126.95)                                   | 0   |
| 500                   | 12.75                                      | 136.15                            | (123.40)                                   | 0   |
| 600                   | 15.30                                      | 135.15                            | (119.85)                                   | 0   |
| 700                   | 20.09                                      | 134.15                            | (114.06)                                   | 0   |
| 800                   | 27.74                                      | 133.15                            | (105.41)                                   | 0   |
| 900                   | 35.39                                      | 132.15                            | ( 96.76)                                   | 0   |
| 1,000                 | 43.04                                      | 131.15                            | ( 88.11)                                   | 0   |
| 1,100                 | 50.69                                      | 130.15                            | ( 79.46)                                   | 0   |
| 1,200                 | 58.34                                      | 129.15                            | ( 70.81)                                   | 0   |
| 1,300                 | 65.99                                      | 128.15                            | ( 62.16)                                   | 0   |
| 1,400                 | 74.23                                      | 127.15                            | ( 52.92)                                   | 0   |
| 1,500                 | 82.31                                      | 126.15                            | ( 43.84)                                   | 0   |
| 1,600                 | 90.38                                      | 125.15                            | ( 34.77)                                   | 12.67   |
| 1,700                 | 98.46                                      | 124.15                            | ( 25.69)                                   | 31.67   |
| 1,800                 | 106.53                                     | 123.15                            | ( 16.62)                                   | 50.67   |
| 1,900                 | 114.61                                     | 122.15                            | ( 7.54)                                    | 69.67   |
| 2,000                 | 122.68                                     | 121.15                            | 1.53                                       | 88.67   |

\* Based on the basic exemption of \$2,091, the married exemption of \$1,830 and the dependant under 16 exemption of \$392.

\*\* The figures in parentheses show the Cost of Living Tax Credit entitlement remaining after provincial income tax has been reduced to zero (\$0.00).

\*\*\* The federal reduction is equal to 8% of the basic federal tax (minimum \$200, maximum \$500).

ESTIMATED EFFECT OF THE 1976 COST OF LIVING TAX CREDIT PLAN  
ON PROVINCIAL INCOME TAX LIABILITIES FOR  
A MARRIED TAXPAYER WITH NO DEPENDANTS

(Dollars)

TABLE II

| <u>Taxable<br/>Income</u> | <u>Gross Provincial<br/>Income Tax Payable</u> | <u>Cost of Living<br/>Tax Credit*</u> | <u>Net Provincial<br/>Income Tax Payable**</u> | <u>Federal Tax<br/>Payable After<br/>Federal Reduction***</u> |
|---------------------------|--|---------------------------------------|--|---|
| 0                         | 0  | 117.63                                | (117.63)                                       | 0   |
| 100                       | 2.55   | 116.63                                | (114.08)                                       | 0   |
| 200                       | 5.10   | 115.63                                | (110.53)                                       | 0   |
| 300                       | 7.65   | 114.63                                | (106.98)                                       | 0   |
| 400                       | 10.20  | 113.63                                | (103.43)                                       | 0   |
| 500                       | 12.75  | 112.63                                | ( 99.88)                                       | 0   |
| 600                       | 15.30  | 111.63                                | ( 96.33)                                       | 0   |
| 700                       | 20.09  | 110.63                                | ( 90.54)                                       | 0   |
| 800                       | 27.74  | 109.63                                | ( 81.89)                                       | 0   |
| 900                       | 35.49  | 108.63                                | ( 73.14)                                       | 0   |
| 1,000                     | 43.04  | 107.63                                | ( 64.59)                                       | 0   |
| 1,100                     | 50.69  | 106.63                                | ( 55.94)                                       | 0   |
| 1,200                     | 58.34  | 105.63                                | ( 47.29)                                       | 0   |
| 1,300                     | 65.99  | 104.63                                | ( 38.64)                                       | 0   |
| 1,400                     | 74.23  | 103.63                                | ( 29.40)                                       | 0   |
| 1,500                     | 82.31  | 102.63                                | ( 20.32)                                       | 0   |
| 1,600                     | 90.38  | 101.63                                | ( 11.25)                                       | 12.67   |
| 1,700                     | 98.46  | 100.63                                | ( 2.17)  | 31.67   |
| 1,800                     | 106.53   | 99.63                                 | 6.90   | 50.67   |
| 1,900                     | 114.61   | 98.63                                 | 15.98  | 69.67   |
| 2,000                     | 122.68   | 97.63                                 | 25.05  | 88.67   |

\*Based on the basic exemption of \$2,091 and the married exemption of \$1,830.

\*\*The figures in parentheses show the Cost of Living Tax Credit entitlement remaining after provincial income tax has been reduced to zero (\$0.00).

\*\*\*The federal reduction is equal to 8% of the basic federal tax (minimum \$200, maximum \$500).

ESTIMATED EFFECT OF THE 1976 COST OF LIVING TAX CREDIT PLAN  
ON PROVINCIAL INCOME TAX LIABILITIES FOR A  
SINGLE PERSON OVER AGE 65

(Dollars)

TABLE III

| <u>Taxable<br/>Income</u> | <u>Gross Provincial<br/>Income Tax Payable</u> | <u>Cost of Living<br/>Tax Credit*</u> | <u>Net Provincial<br/>Income Tax Payable**</u> | <u>Federal Tax<br/>Payable After<br/>Federal Reduction***</u> |
|---------------------------|--|---------------------------------------|--|---|
| 0                         | 0  | 101.94                                | (101.94)                                       | 0   |
| 100                       | 2.55   | 100.94                                | ( 98.39)                                       | 0   |
| 200                       | 5.10   | 99.94                                 | ( 94.84)                                       | 0   |
| 300                       | 7.65   | 98.94                                 | ( 91.29)                                       | 0   |
| 400                       | 10.20  | 97.94                                 | ( 87.74)                                       | 0   |
| 500                       | 12.75  | 96.94                                 | ( 84.19)                                       | 0   |
| 600                       | 15.30  | 95.94                                 | ( 80.64)                                       | 0   |
| 700                       | 20.09  | 94.94                                 | ( 74.85)                                       | 0   |
| 800                       | 27.74  | 93.94                                 | ( 66.20)                                       | 0   |
| 900                       | 35.49  | 92.94                                 | ( 57.45)                                       | 0   |
| 1,000                     | 43.04  | 91.94                                 | ( 48.90)                                       | 0   |
| 1,100                     | 50.69  | 90.94                                 | ( 40.25)                                       | 0   |
| 1,200                     | 58.34  | 89.94                                 | ( 31.60)                                       | 0   |
| 1,300                     | 65.99  | 88.94                                 | ( 22.95)                                       | 0   |
| 1,400                     | 74.23  | 87.94                                 | ( 13.71)                                       | 0   |
| 1,500                     | 82.31  | 86.94                                 | ( 4.63)  | 0   |
| 1,600                     | 90.38  | 85.94                                 | 4.44   | 12.67   |
| 1,700                     | 98.46  | 84.94                                 | 13.52  | 31.67   |
| 1,800                     | 106.53   | 83.94                                 | 22.59  | 50.67   |
| 1,900                     | 114.61   | 82.94                                 | 31.67  | 69.67   |
| 2,000                     | 122.68   | 81.94                                 | 40.74  | 88.67   |

\* Based on the basic exemption of \$2,091 and age exemption of \$1,307.

\*\* The figures in parentheses show the Cost of Living Tax Credit entitlement remaining after the provincial income tax has been reduced to zero (\$0.00).

\*\*\* The federal reduction is equal to 8% of the basic federal tax (minimum \$200, maximum \$500).

ESTIMATED EFFECT OF THE 1976 COST OF LIVING TAX CREDIT PLAN  
ON PROVINCIAL INCOME TAX LIABILITIES FOR  
A SINGLE PERSON WITH NO DEPENDANTS

(Dollars)

TABLE IV

| <u>Taxable<br/>Income</u> | <u>Gross Provincial<br/>Income Tax Payable</u> | <u>Cost of Living<br/>Tax Credit*</u> | <u>Net Provincial<br/>Income Tax Payable**</u> | <u>Federal Tax<br/>Payable After<br/>Federal Reduction***</u> |
|---------------------------|--|---------------------------------------|--|---|
| 0                         | 0  | 62.73                                 | (62.73)  | 0   |
| 100                       | 2.55   | 61.73                                 | (59.18)  | 0   |
| 200                       | 5.10   | 60.73                                 | (55.63)  | 0   |
| 300                       | 7.65   | 59.73                                 | (52.08)  | 0   |
| 400                       | 10.20  | 58.73                                 | (48.53)  | 0   |
| 500                       | 12.75  | 57.73                                 | (44.98)  | 0   |
| 600                       | 15.30  | 56.73                                 | (41.43)  | 0   |
| 700                       | 20.09  | 55.73                                 | (35.64)  | 0   |
| 800                       | 27.74  | 54.73                                 | (26.99)  | 0   |
| 900                       | 35.49  | 53.73                                 | (18.24)  | 0   |
| 1,000                     | 43.04  | 52.73                                 | ( 9.69)  | 0   |
| 1,100                     | 50.69  | 51.73                                 | ( 1.04)  | 0   |
| 1,200                     | 58.34  | 50.73                                 | 7.61   | 0   |
| 1,300                     | 65.99  | 49.73                                 | 16.26  | 0   |
| 1,400                     | 74.23  | 48.73                                 | 25.50  | 0   |
| 1,500                     | 82.31  | 47.73                                 | 34.58  | 0   |
| 1,600                     | 90.38  | 46.73                                 | 43.65  | 12.67   |
| 1,700                     | 98.46  | 45.73                                 | 52.73  | 31.67   |
| 1,800                     | 106.53   | 44.73                                 | 61.80  | 50.67   |
| 1,900                     | 114.61   | 43.73                                 | 70.88  | 69.67   |
| 2,000                     | 122.68   | 42.73                                 | 79.95  | 88.67   |

\* Based on the basic exemption of \$2,091.

\*\* The figures in parentheses show the Cost of Living Tax Credit entitlement remaining after provincial income tax has been reduced to zero (\$0.00).

\*\*\* The federal reduction is equal to 8% of the basic federal tax (minimum \$200, maximum \$500).

**APPENDIX C – PAPER 7**

TABLE 1

COMPARISON OF YEARLY PROVINCIAL TAX LIABILITIES -  
FORMER GOVERNMENT IN 1969 AND PRESENT GOVERNMENT IN 1973 AND 1976  
(DOLLARS)

Family of 4 (Married Taxfiler, Spouse, 2 Children under 16)\*

| Yearly Gross Income | Taxes Under Former Government (1969) |                           |             | Taxes Under Present Government (1973) |                           |                         |             | Tax Savings 1973 Over 1969 | Taxes Under Present Government (1976 - After 1976 Budget) |                           |                         |                           |             | Tax Savings 1976 Over 1973 | Tax Savings 1976 Over 1969 |
|---------------------|--------------------------------------|---------------------------|-------------|---------------------------------------|---------------------------|-------------------------|-------------|----------------------------|---|---------------------------|-------------------------|---------------------------|-------------|----------------------------|----------------------------|
|                     | Personal Income Tax (33%)            | Health Insurance Premiums | Total Taxes | Personal Income Tax (42.5%)           | Health Insurance Premiums | Property Tax Credit (1) | Total Taxes |                            | Personal Income Tax (2) (42.5%)                           | Health Insurance Premiums | Property Tax Credit (1) | Cost of Living Tax Credit | Total Taxes |                            |                            |
| 2,000               | 0                                    | 204                       | 204         | 0                                     | 0                         | 200                     | (200)       | 404                        | 0   | 0                         | 350                     | 141                       | (491)       | 291                        | 695                        |
| 4,000               | 50                                   | 204                       | 254         | 11                                    | 0                         | 198                     | (187)       | 441                        | 0   | 0                         | 350                     | 141                       | (491)       | 304                        | 745                        |
| 6,000               | 158                                  | 204                       | 362         | 164                                   | 0                         | 179                     | ( 15)       | 377                        | 46  | 0                         | 340                     | 131                       | (425)       | 410                        | 787                        |
| 8,000               | 296                                  | 204                       | 500         | 339                                   | 0                         | 159                     | 180         | 320                        | 209   | 0                         | 320                     | 111                       | (222)       | 402                        | 722                        |
| 10,000              | 459                                  | 204                       | 663         | 527                                   | 0                         | 139                     | 388         | 275                        | 384   | 0                         | 300                     | 91                        | ( 7)        | 395                        | 670                        |
| 12,000              | 647                                  | 204                       | 851         | 732                                   | 0                         | 119                     | 613         | 238                        | 567   | 0                         | 280                     | 71                        | 216         | 397                        | 635                        |
| 15,000              | 987                                  | 204                       | 1,191       | 1,072                                 | 0                         | 100                     | 972         | 219                        | 867   | 0                         | 250                     | 41                        | 576         | 396                        | 615                        |
| 20,000              | 1,685                                | 204                       | 1,889       | 1,767                                 | 0                         | 100                     | 1,667       | 222                        | 1,438   | 0                         | 200                     | 0                         | 1,238       | 429                        | 651                        |
| 50,000              | 6,623                                | 204                       | 6,832       | 6,729                                 | 0                         | 100                     | 6,629       | 203                        | 6,870   | 0                         | 200                     | 0                         | 6,670       | (.41)                      | 162                        |

\* All income is from wages and salaries.

Parentheses ( ) indicate negative numbers.

(1) Property Tax Credits shown assume sufficient property taxes or rental equivalents to qualify for these benefit levels.

(2) Includes Provincial Surtax.

TABLE II

COMPARISON OF YEARLY PROVINCIAL TAX LIABILITIES -  
FORMER GOVERNMENT IN 1969 AND PRESENT GOVERNMENT IN 1973 AND 1976

(DOLLARS)

Married Couple (Married Taxfiler, Dependant Spouse)\*

| Yearly Gross Income | Taxes Under Former Government (1969) |                           |             | Taxes Under Present Government (1973) |                           |                         |             | Tax Savings 1973 Over 1969 | Taxes Under Present Government (1976 - After 1976 Budget) |                           |                         |                           |             | Tax Savings 1976 Over 1973 | Tax Savings 1976 Over 1969 |
|---------------------|--------------------------------------|---------------------------|-------------|---------------------------------------|---------------------------|-------------------------|-------------|----------------------------|---|---------------------------|-------------------------|---------------------------|-------------|----------------------------|----------------------------|
|                     | Personal Income Tax (33%)            | Health Insurance Premiums | Total Taxes | Personal Income Tax (42.5%)           | Health Insurance Premiums | Property Tax Credit (1) | Total Taxes |                            | Personal Income Tax (2) (42.5%)                           | Health Insurance Premiums | Property Tax Credit (1) | Cost of Living Tax Credit | Total Taxes |                            |                            |
| 2,000               | 0                                    | 204                       | 204         | 0                                     | 0                         | 200                     | (200)       | 404                        | 0   | 0                         | 350                     | 118                       | (468)       | 268                        | 672                        |
| 4,000               | 78                                   | 204                       | 282         | 53                                    | 0                         | 192                     | (139)       | 421                        | 0   | 0                         | 350                     | 118                       | (468)       | 329                        | 750                        |
| 6,000               | 195                                  | 204                       | 399         | 215                                   | 0                         | 173                     | 42          | 357                        | 109   | 0                         | 332                     | 99                        | (322)       | 364                        | 721                        |
| 8,000               | 340                                  | 204                       | 544         | 392                                   | 0                         | 153                     | 239         | 305                        | 275   | 0                         | 312                     | 79                        | (116)       | 355                        | 660                        |
| 10,000              | 510                                  | 204                       | 714         | 585                                   | 0                         | 133                     | 452         | 262                        | 454   | 0                         | 292                     | 59                        | 103         | 349                        | 611                        |
| 12,000              | 706                                  | 204                       | 910         | 796                                   | 0                         | 113                     | 683         | 227                        | 643   | 0                         | 272                     | 39                        | 332         | 351                        | 578                        |
| 15,000              | 1,066                                | 204                       | 1,270       | 1,151                                 | 0                         | 100                     | 1,051       | 219                        | 951   | 0                         | 242                     | 9                         | 700         | 351                        | 570                        |
| 20,000              | 1,774                                | 204                       | 1,978       | 1,856                                 | 0                         | 100                     | 1,756       | 222                        | 1,541   | 0                         | 200                     | 0                         | 1,341       | 415                        | 637                        |
| 50,000              | 6,737                                | 204                       | 6,941       | 6,837                                 | 0                         | 100                     | 6,737       | 204                        | 7,024   | 0                         | 200                     | 0                         | 6,824       | ( 87)                      | 117                        |

\* All income is from wages and salaries.

Parentheses ( ) indicate negative numbers.

(1) Property Tax Credits shown assume sufficient property taxes or rental equivalents to qualify for these benefit levels.

(2) Includes Provincial Surtax.

TABLE III

COMPARISON OF YEARLY PROVINCIAL TAX LIABILITIES -  
FORMER GOVERNMENT IN 1969 AND PRESENT GOVERNMENT IN 1973 AND 1976  
(DOLLARS)

Single Person (Single Taxfiler, No Dependants)\*

| Yearly Gross Income | Taxes Under Former Government (1969) |                           |             | Taxes Under Present Government (1973) |                           |                         |             | Tax Savings 1973 Over 1969 | Taxes Under Present Government (1976 - After 1976 Budget) |                           |                         |                           |             | Tax Savings 1976 Over 1973 | Tax Savings 1976 Over 1969 |
|---------------------|--------------------------------------|---------------------------|-------------|---------------------------------------|---------------------------|-------------------------|-------------|----------------------------|---|---------------------------|-------------------------|---------------------------|-------------|----------------------------|----------------------------|
|                     | Personal Income Tax (33%)            | Health Insurance Premiums | Total Taxes | Personal Income Tax (42.5%)           | Health Insurance Premiums | Property Tax Credit (1) | Total Taxes |                            | Personal Income Tax (2) (42.5%)                           | Health Insurance Premiums | Property Tax Credit (1) | Cost of Living Tax Credit | Total Taxes |                            |                            |
| 2,000               | 33                                   | 102                       | 135         | 15                                    | 0                         | 198                     | (183)       | 318                        | 0   | 0                         | 350                     | 63                        | (413)       | 230                        | 548                        |
| 4,000               | 133                                  | 102                       | 235         | 166                                   | 0                         | 178                     | ( 12)       | 247                        | 98  | 0                         | 333                     | 46                        | (281)       | 269                        | 516                        |
| 6,000               | 267                                  | 102                       | 369         | 339                                   | 0                         | 159                     | 180         | 189                        | 261   | 0                         | 313                     | 26                        | ( 79)       | 259                        | 448                        |
| 8,000               | 424                                  | 102                       | 526         | 527                                   | 0                         | 139                     | 388         | 138                        | 439   | 0                         | 293                     | 6                         | 139         | 249                        | 387                        |
| 10,000              | 607                                  | 102                       | 709         | 732                                   | 0                         | 119                     | 613         | 96                         | 627   | 0                         | 273                     | 0                         | 353         | 260                        | 356                        |
| 12,000              | 820                                  | 102                       | 922         | 954                                   | 0                         | 100                     | 854         | 68                         | 826   | 0                         | 253                     | 0                         | 573         | 281                        | 349                        |
| 15,000              | 1,198                                | 102                       | 1,300       | 1,335                                 | 0                         | 100                     | 1,235       | 65                         | 1,153   | 0                         | 223                     | 0                         | 929         | 306                        | 371                        |
| 20,000              | 1,922                                | 102                       | 2,024       | 2,064                                 | 0                         | 100                     | 1,964       | 60                         | 1,782   | 0                         | 200                     | 0                         | 1,582       | 382                        | 442                        |
| 50,000              | 6,918                                | 102                       | 7,020       | 7,093                                 | 0                         | 100                     | 6,993       | 27                         | 7,389   | 0                         | 200                     | 0                         | 7,189       | (196)                      | (169)                      |

\* All income is from wages and salaries.

Parentheses ( ) indicate negative numbers.

(1) Property Tax Credits shown assume sufficient property taxes or rental equivalents to qualify for these benefit levels.

(2) Includes Provincial Surtax.

## APPENDIX C – PAPER 8

**COMPARISON OF ANNUAL PERSONAL INCOME TAXES/CREDITS AND  
HEALTH INSURANCE PREMIUM TAXES (SELECTED PROVINCES)**

TABLE 1 - COMPARISON OF ANNUAL PERSONAL INCOME TAXES AND HEALTH INSURANCE PREMIUM TAXES  
- MANITOBA, ONTARIO, SASKATCHEWAN, ALBERTA, BRITISH COLUMBIA -  
(COMPARISON BASED ON TAX RATES IN EFFECT AFTER 1976 BUDGETS)

1. Married Taxfiler - Two Dependents Under 16

| Gross<br>Income | MANITOBA        |        |                      |                             |                | ONTARIO         |        |                      |                             |                | SASKATCHEWAN    |        |                      |                             |                | ALBERTA         |        |                      |                             |                | BRITISH COLUMBIA |        |                      |                             |                |      |
|-----------------|-----------------|--------|----------------------|-----------------------------|----------------|-----------------|--------|----------------------|-----------------------------|----------------|-----------------|--------|----------------------|-----------------------------|----------------|-----------------|--------|----------------------|-----------------------------|----------------|------------------|--------|----------------------|-----------------------------|----------------|------|
|                 | Income<br>Taxes | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes | Income<br>Taxes | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes | Income<br>Taxes | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes | Income<br>Taxes | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes | Income<br>Taxes  | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes |      |
| 4,000           | 0               | -      | -                    | 491                         | (491)          | -               | -      | 192                  | 267                         | (75)           | 0               | -      | -                    | -                           | 0              | 0               | -      | -                    | 200                         | (200)          | 0                | -      | -                    | 22                          | 100            | (88) |
| 5,000           | 1               | -      | -                    | 490                         | (489)          | 1               | -      | 192                  | 267                         | (74)           | 0               | -      | -                    | -                           | 0              | 0               | -      | 72                   | 200                         | (128)          | 1                | -      | 112                  | 90                          | 22             |      |
| 6,000           | 46              | -      | -                    | 470                         | (424)          | 33              | -      | 192                  | 267                         | (42)           | 0               | -      | -                    | -                           | 0              | 0               | -      | 138                  | 195                         | (57)           | 36               | -      | 225                  | 80                          | 181            |      |
| 7,000           | 126             | -      | -                    | 450                         | (324)          | 91              | -      | 192                  | 226                         | 57             | 19              | -      | -                    | -                           | 19             | 37              | -      | 138                  | 190                         | (15)           | 97               | -      | 225                  | 70                          | 352            |      |
| 8,000           | 209             | -      | -                    | 430                         | (221)          | 150             | -      | 384                  | 206                         | 328            | 96              | -      | -                    | -                           | 96             | 109             | -      | 138                  | 185                         | 57             | 160              | -      | 225                  | 60                          | 325            |      |
| 9,000           | 295             | -      | -                    | 410                         | (115)          | 211             | -      | 384                  | 186                         | 409            | 177             | -      | -                    | -                           | 177            | 128             | -      | 138                  | 180                         | 86             | 225              | -      | 225                  | 50                          | 400            |      |
| 10,000          | 384             | -      | -                    | 390                         | (6)            | 275             | -      | 384                  | 166                         | 493            | 261             | -      | -                    | -                           | 261            | 234             | -      | 138                  | 170                         | 202            | 293              | -      | 225                  | 40                          | 478            |      |
| 11,000          | 473             | -      | -                    | 370                         | 103            | 339             | -      | 384                  | 146                         | 577            | 349             | -      | -                    | -                           | 349            | 292             | -      | 138                  | 165                         | 265            | 365              | -      | 225                  | 30                          | 560            |      |
| 12,000          | 567             | -      | -                    | 350                         | 217            | 407             | -      | 384                  | 126                         | 665            | 433             | -      | -                    | -                           | 433            | 347             | -      | 138                  | 160                         | 325            | 433              | -      | 225                  | 20                          | 638            |      |
| 15,000          | 867             | -      | -                    | 290                         | 577            | 623             | -      | 384                  | 66                          | 961            | 716             | -      | -                    | -                           | 716            | 531             | -      | 138                  | 150                         | 519            | 663              | -      | 225                  | -                           | 888            |      |
| 20,000          | 1,438           | -      | -                    | 200                         | 1,238          | 1,032           | -      | 384                  | -                           | 1,416          | 1,253           | -      | -                    | -                           | 1,253          | 880             | -      | 138                  | 125                         | 893            | 1,100            | -      | 225                  | -                           | 1,325          |      |
| 25,000          | 2,126           | 1      | -                    | 200                         | 1,927          | 1,526           | -      | 384                  | -                           | 1,910          | 1,910           | 50     | -                    | -                           | 1,951          | 1,301           | -      | 198                  | 100                         | 1,339          | 1,626            | -      | 225                  | -                           | 1,851          |      |
| 50,000          | 6,078           | 792    | -                    | 200                         | 6,670          | 4,362           | -      | 384                  | -                           | 4,746          | 5,620           | 422    | -                    | -                           | 6,042          | 3,718           | -      | 138                  | 50                          | 3,806          | 4,648            | -      | 225                  | -                           | 4,873          |      |
| 100,000         | 15,396          | 2,655  | -                    | 200                         | 17,851         | 11,049          | -      | 384                  | -                           | 11,433         | 14,391          | 1,299  | -                    | -                           | 15,690         | 9,419           | -      | 138                  | 50                          | 9,507          | 11,774           | -      | 225                  | -                           | 11,999         |      |

This table shows that "personal taxes", (income taxes, plus medical care premiums, less tax credits) for a family of four are lower in Manitoba than in Ontario and Saskatchewan for incomes up to about \$25,000, than in Alberta for incomes up to \$12,000 and in British Columbia for incomes up to about \$20,000.

<sup>1</sup> In calculating the tax credits \$400 of property taxes or rental equivalents are assumed. For Alberta and British Columbia, the taxfiler is assumed to be a tenant and therefore eligible for the renters assistance tax credits provided through the income tax system in these provinces. No account is taken of non-income related assistance to homeowners and local governments in any of the provinces included in the comparison.



TABLE II - COMPARISON OF ANNUAL PERSONAL INCOME TAXES AND HEALTH INSURANCE PREMIUM TAXES  
 - MANITOBA, ONTARIO, SASKATCHEWAN, ALBERTA, BRITISH COLUMBIA -  
 (COMPARISON BASED ON TAX RATES IN EFFECT AFTER 1976 BUDGETS)

2. Married Taxpayer - No Dependents

| Gross Income | MANITOBA     |        |                   |                          |             | ONTARIO      |        |                   |                          |             | SASKATCHEWAN |        |                   |                          |             | ALBERTA      |        |                   |                          |             | BRITISH COLUMBIA |        |                   |                          |             |
|--------------|--------------|--------|-------------------|--------------------------|-------------|--------------|--------|-------------------|--------------------------|-------------|--------------|--------|-------------------|--------------------------|-------------|--------------|--------|-------------------|--------------------------|-------------|------------------|--------|-------------------|--------------------------|-------------|
|              | Income Taxes | Surtax | Medicare Premiums | Tax Credits <sup>1</sup> | Total Taxes | Income Taxes | Surtax | Medicare Premiums | Tax Credits <sup>1</sup> | Total Taxes | Income Taxes | Surtax | Medicare Premiums | Tax Credits <sup>1</sup> | Total Taxes | Income Taxes | Surtax | Medicare Premiums | Tax Credits <sup>1</sup> | Total Taxes | Income Taxes     | Surtax | Medicare Premiums | Tax Credits <sup>1</sup> | Total Taxes |
| 1,000        | 0            | -      | -                 | 468                      | (468)       | 0            | -      | 192               | 259                      | (67)        | 0            | 0      | -                 | -                        | 0           | 0            | -      | 0                 | 200                      | (200)       | 0                | -      | 18                | 100                      | (82)        |
| 4,000        | 0            | -      | -                 | 468                      | (468)       | 0            | -      | 192               | 259                      | (67)        | 0            | 0      | -                 | -                        | 0           | 0            | -      | 0                 | 200                      | (200)       | 0                | -      | 18                | 100                      | (82)        |
| 5,000        | 30           | -      | -                 | 451                      | (421)       | 22           | -      | 192               | 259                      | (65)        | 0            | 0      | -                 | -                        | 0           | 0            | -      | 72                | 196                      | (124)       | 23               | -      | 90                | 92                       | 21          |
| 6,000        | 105          | -      | -                 | 431                      | (322)       | 78           | -      | 192               | 222                      | 48          | 2            | 0      | -                 | 2                        | 24          | -            | -      | 138               | 191                      | (29)        | 83               | -      | 180               | 82                       | 181         |
| 7,000        | 190          | -      | -                 | 411                      | (221)       | 137          | -      | 192               | 202                      | 127         | 79           | 0      | -                 | 79                       | 93          | -            | -      | 138               | 186                      | 45          | 146              | -      | 180               | 72                       | 254         |
| 8,000        | 275          | -      | -                 | 391                      | (116)       | 198          | -      | 384               | 182                      | 400         | 159          | 0      | -                 | 159                      | 165         | -            | -      | 138               | 181                      | 122         | 211              | -      | 180               | 62                       | 329         |
| 9,000        | 365          | -      | -                 | 371                      | (6)         | 262          | -      | 384               | 162                      | 484         | 343          | 0      | -                 | 343                      | 223         | -            | -      | 138               | 176                      | 185         | 279              | -      | 180               | 52                       | 407         |
| 10,000       | 454          | -      | -                 | 351                      | 103         | 326          | -      | 384               | 142                      | 568         | 327          | 0      | -                 | 327                      | 279         | -            | -      | 138               | 171                      | 255         | 347              | -      | 180               | 42                       | 485         |
| 11,000       | 546          | -      | -                 | 331                      | 215         | 392          | -      | 384               | 122                      | 654         | 413          | 0      | -                 | 413                      | 334         | -            | -      | 138               | 166                      | 306         | 417              | -      | 180               | 32                       | 565         |
| 12,000       | 643          | -      | -                 | 311                      | 332         | 462          | -      | 384               | 102                      | 744         | 505          | 0      | -                 | 505                      | 394         | -            | -      | 138               | 161                      | 371         | 492              | -      | 180               | 22                       | 650         |
| 15,000       | 951          | -      | -                 | 251                      | 700         | 682          | -      | 384               | 42                       | 1,024       | 795          | 0      | -                 | 795                      | 582         | -            | -      | 138               | 146                      | 574         | 727              | -      | 180               | 12                       | 895         |
| 20,000       | 1,541        | -      | -                 | 200                      | 1,341       | 1,106        | -      | 384               | -                        | 1,490       | 1,350        | 0      | -                 | 1,350                    | 943         | -            | -      | 138               | 121                      | 960         | 1,178            | -      | 180               | 2                        | 1,356       |
| 25,000       | 2,243        | 25     | -                 | 200                      | 2,068       | 1,610        | -      | 384               | -                        | 1,994       | 2,011        | 61     | -                 | 2,072                    | 1,372       | -            | -      | 138               | 96                       | 1,414       | 1,715            | -      | 180               | 0                        | 1,895       |
| 50,000       | 6,207        | 817    | -                 | 200                      | 6,824       | 4,455        | -      | 384               | -                        | 4,839       | 5,742        | 434    | -                 | 6,176                    | 3,798       | -            | -      | 138               | 50                       | 3,886       | 4,747            | -      | 180               | 0                        | 4,927       |
| 100,000      | 15,553       | 2,687  | -                 | 200                      | 18,040      | 11,162       | -      | 384               | -                        | 11,546      | 14,538       | 1,314  | -                 | 15,852                   | 9,515       | -            | -      | 138               | 50                       | 9,603       | 11,894           | -      | 180               | 0                        | 12,074      |

This table shows that "personal taxes" (income taxes, plus medical care premiums, less tax credits) for married couples are lower in Manitoba than Ontario and Saskatchewan for incomes up to about \$23,000, than in Alberta for incomes up to about \$2,000 and than in British Columbia for incomes up to about \$4,000.

<sup>1</sup> In calculating the tax credits \$400 of property taxes or rental equivalents are assumed. For Alberta and British Columbia, the taxpayer is assumed to be a tenant and therefore eligible for the renters assistance tax credits provided through the Income tax system in these provinces. No account is taken of non-income related assistance to homeowners and local governments in any of the provinces included in the comparison.

TABLE III - COMPARISON OF ANNUAL PERSONAL INCOME TAXES AND HEALTH INSURANCE PREMIUM TAXES  
 - MANITOBA, ONTARIO, SASKATCHEWAN, ALBERTA, BRITISH COLUMBIA -  
 (COMPARISON BASED ON TAX RATES IN EFFECT AFTER 1976 BUDGETS)

## 3. Single Taxpayer - No Dependents

| Gross<br>Income | MANITOBA        |        |                      |                             |                | ONTARIO         |        |                      |                             |                | SASKATCHEWAN    |        |                      |                             |                | ALBERTA         |        |                      |                             |                | BRITISH COLUMBIA |        |                      |                             |                |
|-----------------|-----------------|--------|----------------------|-----------------------------|----------------|-----------------|--------|----------------------|-----------------------------|----------------|-----------------|--------|----------------------|-----------------------------|----------------|-----------------|--------|----------------------|-----------------------------|----------------|------------------|--------|----------------------|-----------------------------|----------------|
|                 | Income<br>Taxes | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes | Income<br>Taxes | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes | Income<br>Taxes | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes | Income<br>Taxes | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes | Income<br>Taxes  | Surtax | Medicare<br>Premiums | Tax<br>Credits <sup>1</sup> | Total<br>Taxes |
| 2,000           | 0               | -      | -                    | 413                         | (413)          | 0               | -      | 96                   | 241                         | (145)          | 0               | -      | -                    | -                           | 0              | 0               | -      | -                    | 200                         | (200)          | 0                | -      | 9                    | 100                         | (91)           |
| 3,000           | 22              | -      | -                    | 398                         | (376)          | 15              | -      | 96                   | 241                         | (130)          | 0               | -      | -                    | -                           | 0              | 0               | -      | 69                   | 196                         | (127)          | 13               | -      | 45                   | 93                          | (32)           |
| 4,000           | 98              | -      | -                    | 379                         | (281)          | 70              | -      | 96                   | 207                         | ( 41)          | 0               | -      | -                    | -                           | 0              | 12              | -      | 69                   | 192                         | (111)          | 73               | -      | 90                   | 83                          | 80             |
| 5,000           | 176             | -      | -                    | 360                         | (184)          | 126             | -      | 192                  | 188                         | 130            | 66              | -      | -                    | -                           | 66             | 81              | -      | 69                   | 187                         | (37)           | 135              | -      | 90                   | 73                          | 152            |
| 6,000           | 261             | -      | -                    | 340                         | (79)           | 187             | -      | 192                  | 168                         | 211            | 146             | -      | -                    | -                           | 146            | 153             | -      | 69                   | 182                         | 40             | 200              | -      | 90                   | 63                          | 227            |
| 7,000           | 349             | -      | -                    | 320                         | 29             | 251             | -      | 192                  | 148                         | 295            | 229             | -      | -                    | -                           | 229            | 214             | -      | 69                   | 177                         | 106            | 267              | -      | 90                   | 53                          | 304            |
| 8,000           | 439             | -      | -                    | 300                         | 139            | 315             | -      | 192                  | 128                         | 379            | 313             | -      | -                    | -                           | 313            | 268             | -      | 69                   | 172                         | 165            | 335              | -      | 90                   | 43                          | 382            |
| 9,000           | 529             | -      | -                    | 283                         | 246            | 380             | -      | 192                  | 108                         | 464            | 398             | -      | -                    | -                           | 398            | 324             | -      | 69                   | 167                         | 226            | 404              | -      | 90                   | 33                          | 461            |
| 10,000          | 627             | -      | -                    | 273                         | 354            | 450             | -      | 192                  | 88                          | 554            | 490             | -      | -                    | -                           | 490            | 383             | -      | 69                   | 162                         | 290            | 479              | -      | 90                   | 23                          | 546            |
| 11,000          | 724             | -      | -                    | 263                         | 461            | 520             | -      | 192                  | 68                          | 644            | 582             | -      | -                    | -                           | 582            | 443             | -      | 69                   | 157                         | 355            | 554              | -      | 90                   | 13                          | 630            |
| 12,000          | 826             | -      | -                    | 253                         | 573            | 593             | -      | 192                  | 48                          | 737            | 678             | -      | -                    | -                           | 678            | 506             | -      | 69                   | 152                         | 423            | 632              | -      | 90                   | 3                           | 719            |
| 15,000          | 1,153           | -      | -                    | 223                         | 930            | 827             | -      | 192                  | -                           | 1,019          | 985             | -      | -                    | -                           | 985            | 705             | -      | 69                   | 137                         | 637            | 881              | -      | 90                   | -                           | 971            |
| 20,000          | 1,782           | -      | -                    | 200                         | 1,582          | 1,279           | -      | 192                  | -                           | 1,471          | 1,577           | 18     | -                    | -                           | 1,595          | 1,090           | -      | 69                   | 112                         | 1,047          | 1,363            | -      | 90                   | -                           | 1,453          |
| 25,000          | 2,515           | 79     | -                    | 200                         | 2,394          | 1,805           | -      | 192                  | -                           | 1,997          | 2,267           | 87     | -                    | -                           | 2,354          | 1,539           | -      | 69                   | 92                          | 1,516          | 1,923            | -      | 90                   | -                           | 2,013          |
| 50,000          | 6,511           | 878    | -                    | 200                         | 7,189          | 4,672           | -      | 192                  | -                           | 4,864          | 6,028           | 463    | -                    | -                           | 6,491          | 3,983           | -      | 69                   | 50                          | 4,002          | 4,979            | -      | 90                   | -                           | 4,969          |
| 100,000         | 15,919          | 2,675  | -                    | 200                         | 18,394         | 11,424          | -      | 192                  | -                           | 11,616         | 14,883          | 1,368  | -                    | -                           | 16,231         | 9,739           | -      | 69                   | 50                          | 9,758          | 12,173           | -      | 90                   | -                           | 12,273         |

This table shows that "personal taxes" (income taxes, plus medical care premiums, less tax credits) for single persons are lower in Manitoba than in Ontario and Saskatchewan for incomes up to about \$20,000, than in Alberta for incomes up to about \$8,000, and than in British Columbia for incomes up to slightly more than \$12,000.

<sup>1</sup>In calculating the tax credits \$400 of property taxes or rental equivalents are assumed. For Alberta and British Columbia, the taxpayer is assumed to be a tenant and therefore eligible for the renters assistance tax credits provided through the income tax system in these provinces. No account is taken of non-income related assistance to homeowners and local governments in any of the provinces included in the comparison.

## APPENDIX C — PAPER 9

**COMPARISON OF SELECTED PROVINCIAL TAX RATES AFTER  
1976 PROVINCIAL BUDGETS  
(EXCEPT QUEBEC)**

COMPARISON OF SELECTED PROVINCIAL TAX RATES

| <u>Tax</u>  | <u>Newfoundland</u> | <u>Prince<br/>Edward<br/>Island</u> | <u>Nova<br/>Scotia</u> | <u>New<br/>Brunswick</u> | <u>Quebec</u>  | <u>Ontario</u>               | <u>MANITOBA</u>     | <u>Saskatchewan</u> | <u>Alberta</u>              | <u>British<br/>Columbia</u> |
|---|---------------------|-------------------------------------|------------------------|--------------------------|--|------------------------------|---------------------|---------------------|-----------------------------|-----------------------------|
| Retail Sales (%)                                  | 10                  | 8                                   | 8                      | 8                        | 8  | 7                            | 5                   | 5                   | Nil                         | 7                           |
| Personal Income (% of<br>Federal tax payable)     | 42                  | 36                                  | 38.5                   | 41.5 <sup>(1)</sup>      | (2)  | 30.5                         | 42.5 <sup>(3)</sup> | 40 <sup>(3)</sup>   | 26                          | 32.5 <sup>(4)</sup>         |
| Health Insurance<br>(annual premium)              | Nil                 | Nil                                 | Nil                    | Nil                      | Payroll Tax:<br>8/10 of 1 per<br>cent of income<br>(\$125 maximum) | \$192 single<br>\$384 family | Nil                 | Nil                 | \$69 single<br>\$138 family | \$90 single<br>\$225 family |
| Corporation Income (%<br>of taxable income)       | 14                  | 10                                  | 12                     | 10                       | 12   | 9 - 12                       | 13 - 15             | 12                  | 11                          | 12 to 15                    |
| Corporation Capital Tax<br>(% of Taxable Capital) | Nil                 | Nil                                 | Nil                    | Nil                      | 1/5  | 1/5                          | 1/5 <sup>(5)</sup>  | Nil                 | Nil                         | 1/5 <sup>(5)</sup>          |
| Gasoline (cents per<br>gallon)                    | 27                  | 21                                  | 21                     | 20                       | 19   | 19                           | 18                  | 15                  | 10                          | 17                          |
| Diesel (cents per<br>gallon)                      | 27                  | 25                                  | 27                     | 23                       | 25   | 25                           | 21                  | 21                  | 12                          | 19                          |
| Cigarette (cents per<br>package of 25)            | 25                  | 20                                  | 12.5                   | 10                       | 10   | 17.75                        | 20                  | 15                  | 8                           | 12                          |

<sup>(1)</sup> Nominal rate is reduced by 2% reduction in 1976.

<sup>(2)</sup> Quebec has a personal income tax rate approximately equal to 58%, including taxpoints transferred from the federal government in lieu of some cost sharing payments. Federal rates in Quebec are reduced to reflect this tax transfer.

<sup>(3)</sup> These provinces apply surtaxes to high income earners - over \$21,185 for a married taxfiler with two children in Saskatchewan and over \$24,955 for the same taxfiler in Manitoba.

<sup>(4)</sup> Effective July 1, 1976.

<sup>(5)</sup> Small businesses - those with taxable capital of under \$100,000 - are exempt.

## APPENDIX C -- PAPER 10

## DETAILS OF TOBACCO TAX CHANGES

## NEW TOBACCO TAX RATES - EFFECTIVE MAY 17, 1976

|                                      | OLD<br>RATE | INCREASE | NEW<br>RATE |
|--------------------------------------|-------------|----------|-------------|
| CIGARETTES                           |             |          |             |
| per cigarette                        | 3/5¢        | 1/5¢     | 4/5¢        |
| per package of 20 cigarettes         | 12¢         | 4¢       | 16¢         |
| per package of 25 cigarettes         | 15¢         | 5¢       | 20¢         |
| CIGARS                               |             |          |             |
| retailing at 4¢ or less              | 1¢          | 1¢       | 2¢          |
| retailing at 5¢                      | 1 1/2¢      | 1/2¢     | 2¢          |
| " " 6¢                               | 2¢          | -        | 2¢          |
| " " 7¢ to 8¢                         | 2¢          | 1¢       | 3¢          |
| " " 9¢                               | 3¢          | -        | 3¢          |
| " " 10¢ to 12¢                       | 3¢          | 1¢       | 4¢          |
| " " 13¢ to 15¢                       | 4¢          | 1¢       | 5¢          |
| " " 16¢                              | 4¢          | 2¢       | 6¢          |
| " " 17¢ to 18¢                       | 5¢          | 1¢       | 6¢          |
| " " 19¢ to 20¢                       | 5¢          | 2¢       | 7¢          |
| " " 21¢                              | 7¢          | -        | 7¢          |
| " " 22¢ to 24¢                       | 7¢          | 1¢       | 8¢          |
| " " 25¢ to 28¢                       | 7¢          | 3¢       | 10¢         |
| " " 29¢ to 30¢                       | 9¢          | 1¢       | 10¢         |
| " " 31¢ to 36¢                       | 9¢          | 4¢       | 13¢         |
| " " 37¢ to 39¢                       | 11¢         | 2¢       | 13¢         |
| " " 40¢ to 43¢                       | 11¢         | 5¢       | 16¢         |
| " " 44¢ to 48¢                       | 13¢         | 3¢       | 16¢         |
| " " 49¢ to 52¢                       | 13¢         | 7¢       | 20¢         |
| " " 53¢ or more                      | 15¢         | 5¢       | 20¢         |
| OTHER TOBACCO PRODUCTS               |             |          |             |
| for every 1/2 oz. or part of 1/2 oz. | 3¢          | 1¢       | 4¢          |

## APPENDIX C - PAPER 11

**COMPARISON OF CORPORATE TAXABLE  
INCOME AND PROFITS 1968 - 1973**

TABLE I

COMPARISON OF CORPORATE PROFITS BEFORE TAXES AND TAXABLE  
INCOME BY SELECTED CANADIAN INDUSTRIES, 1968 - 1973

| <u>Industry</u>       | <u>Ratio of Taxable Income to Corporate Profits (%)</u> |             |             |             |             |              |
|-----------------------|---|-------------|-------------|-------------|-------------|--------------|
|                       | <u>1968</u>   | <u>1969</u> | <u>1970</u> | <u>1971</u> | <u>1972</u> | <u>1973*</u> |
| Metal Mining          | 17.6  | 18.6        | 25.3        | 1.4         | 9.6         | N/A          |
| Mineral Fuels         | 15.1  | 5.7         | 2.5         | 9.3         | 30.3        | N/A          |
| Other Mining          | 29.2  | 4.6         | 22.5        | 18.2        | 29.5        | N/A          |
| Total Mining          | 18.1  | 12.6        | 20.3        | 6.0         | 21.9        | N/A          |
| Manufacturing         | 74.7  | 78.6        | 68.4        | 68.8        | 73.7        | N/A          |
| Construction          | 84.9  | 78.3        | 74.9        | 72.6        | 74.0        | N/A          |
| Wholesale Trade       | 91.3  | 87.9        | 86.5        | 85.7        | 83.4        | N/A          |
| Retail Trade          | 92.9  | 90.7        | 88.0        | 84.8        | 77.3        | N/A          |
| Finance               | 46.2  | 54.0        | 54.2        | 47.1        | 49.3        | N/A          |
| Services              | 86.3  | 83.5        | 68.6        | 75.4        | 65.7        | N/A          |
| <u>All Industries</u> | 64.5  | 64.7        | 60.0        | 58.7        | 62.8        | 50.3         |

NOTE: Taxable income defined as current year taxable income before application of prior year losses.

Source: Statistics Canada's Corporation Taxation Statistics, 61-208.

\* 1973 figure comes from Statistics Canada's Corporations and Labour Unions Returns Act Report (61-210), (for corporations with assets greater than \$5 million). No industrial breakdown is available for 1973.

TABLE II

COMPARISON OF CORPORATE PROFITS BEFORE TAXES AND TAXABLE INCOME  
BY SELECTED CANADIAN INDUSTRIES, 1968-1973  
(Millions of Dollars)

| Industry              | 1968              |                | 1969              |                | 1970              |                | 1971              |                | 1972              |                | 1973*             |                |
|-----------------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|
|                       | Corporate Profits | Taxable Income | Corporate Profits | Taxable Income | Corporate Profits | Taxable Income | Corporate Profits | Taxable Income | Corporate Profits | Taxable Income | Corporate Profits | Taxable Income |
| Metal Mining          | 497.4             | 87.7           | 610.9             | 113.9          | 883.0             | 223.3          | 517.4             | 7.0            | 328.5             | 31.7           | N/A               | N/A            |
| Mineral Taxes         | 339.9             | 51.3           | 415.5             | 23.6           | 256.6             | 6.4            | 325.4             | 30.4           | 357.4             | 108.2          | N/A               | N/A            |
| Other Mining          | 116.9             | 34.1           | 105.5             | 4.9            | 86.7              | 19.5           | 110.7             | 20.2           | 131.2             | 38.7           | N/A               | N/A            |
| Total Mining          | 954.2             | 173.1          | 1,131.9           | 142.4          | 1,226.4           | 249.3          | 953.5             | 57.6           | 817.1             | 178.6          | N/A               | N/A            |
| Manufacturing         | 3,191.3           | 2,384.2        | 3,437.8           | 2,702.5        | 2,878.0           | 1,967.8        | 3,677.2           | 2,531.6        | 4,357.7           | 3,210.7        | N/A               | N/A            |
| Construction          | 294.0             | 249.5          | 293.7             | 230.1          | 238.7             | 178.9          | 372.6             | 270.4          | 438.3             | 324.2          | N/A               | N/A            |
| Wholesale Trade       | 608.7             | 555.6          | 666.7             | 586.0          | 622.3             | 538.2          | 852.2             | 730.6          | 1,151.0           | 959.5          | N/A               | N/A            |
| Retail Trade          | 480.9             | 446.8          | 480.2             | 435.6          | 512.0             | 450.7          | 569.9             | 483.1          | 835.2             | 646.0          | N/A               | N/A            |
| Finance               | 1,677.2           | 775.7          | 2,020.9           | 1,090.3        | 1,898.6           | 1,028.5        | 2,671.3           | 1,258.1        | 2,960.1           | 1,460.1        | N/A               | N/A            |
| Services              | 290.6             | 250.9          | 331.3             | 276.7          | 359.4             | 246.7          | 416.1             | 313.9          | 511.1             | 335.9          | N/A               | N/A            |
| <u>All Industries</u> | 8,350.4           | 5,382.7        | 9,257.2           | 5,991.2        | 8,784.8           | 5,268.6        | 10,655.4          | 6,253.7        | 12,351.2          | 7,755.8        | 11,976            | 6,029          |

NOTE: Current year taxable income before application of prior year losses.

Source: Statistics Canada's Corporation Taxation Statistics, 61-208.

\*1973 figures come from Statistics Canada's Corporations and Labour Unions Returns Act Report (61-210), (for corporations with assets greater than \$5 million). No industrial breakdown is available for 1973.

## APPENDIX C — PAPER 12

MANITOBA SUCCESSION DUTY STATISTICS

At the end of 1971, the Government of Canada withdrew from the estate tax field. Starting January 1, 1972, Manitoba joined a number of other provinces in implementing individual provincial succession duty systems.

Between January 1972 and December 1974, the Manitoba succession duty was administered by the federal government through Revenue Canada. Starting in 1975, administration was taken over by the Taxation Division, Manitoba Department of Finance. The Manitoba Government's direct administrative responsibility for the tax has permitted the compilation of useful statistics on its impact. For purposes of this preliminary study, information was collected from actual succession duty returns for the years 1972 through 1975.

The statistics collected show that the incidence of the succession duty is progressive and therefore consistent with the overall taxation policy of the government. In Manitoba, there are over 5,000 returns filed yearly with less than 200 or under 4% subject to tax.

TABLE 1

|         | BREAKDOWN OF SUCCESSION DUTY<br>RETURNS AS FILED BY YEAR |                             |                             |                                      |                             |
|---------|--|-----------------------------|-----------------------------|--------------------------------------|-----------------------------|
|         | # MANITOBA<br>DEATHS<br>OVER 20 YEARS                    | # NON-TAXABLE<br>RETURNS    | # TAXABLE<br>RETURNS        | % TAXABLE<br>OF ALL RETURNS<br>FILED | % TAXABLE<br># OF<br>DEATHS |
|         | <u>                    </u>                              | <u>                    </u> | <u>                    </u> | <u>                    </u>          | <u>                    </u> |
| 1972    | 7,636  | 2,947                       | 103                         | 3.38                                 | 1.35                        |
| 1973    | 7,673  | 4,753                       | 146                         | 2.98                                 | 1.90                        |
| 1974    | 7,906  | 5,018                       | 178                         | 3.43                                 | 2.25                        |
| 1975(1) | 7,623  | 5,534                       | 136                         | 2.40                                 | 1.78                        |
| TOTAL   | 30,838   | 18,252                      | 590                         | 3.13                                 | 1.91                        |

(1) Estimated - Subject to revision due to time lag in filing.

Source: Vital Statistics and Department of Finance.



TABLE 2

SUCCESSION DUTY RETURNS - BREAKDOWN (TAXABLE & NON-TAXABLE)

|      | Non-Taxable Returns <sup>1</sup> | TAXABLE RETURN AGGREGATE NET VALUE (A.N.V.) BREAKDOWN |                   |                   |                   |                   |                     |               | Total Taxable Returns | Total Re- turns | Taxable Estates with A.N.V. Over \$200,000 as a % of Total Returns | Taxable Estates with A.N.V. Over \$250,000 as a % of Total Returns |
|------|----------------------------------|---|-------------------|-------------------|-------------------|-------------------|---------------------|---------------|-----------------------|-----------------|--|--|
|      |                                  | \$50,000-100,000                                      | \$100,000-200,000 | \$200,000-250,000 | \$250,000-300,000 | \$300,000-500,000 | \$500,000-1,000,000 | \$1,000,000 + |                       |                 |  |  |
| 1972 | 2,947                            | 44  | 18                | 16                | 7                 | 10                | 8                   | *             | 103                   | 3,050           | 1.34   | .82  |
| 1973 | 4,753                            | 42  | 44                | 22                | 8                 | 15                | 10                  | 5             | 146                   | 4,899           | 1.22   | .78  |
| 1974 | 5,018                            | 74  | 49                | 22                | 6                 | 20                | 7                   | *             | 178                   | 5,196           | 1.06   | .64  |
| 1975 | 5,534                            | 66  | 34                | 8                 | 13                | 9                 | 6                   | *             | 136                   | 5,670           | .63  | .50  |

<sup>1</sup>Non-Taxable Returns - the breakdown of non-taxable estates by aggregate net value size is not available.

\* Numbers in this category below 3 have been added to the previous category for confidentiality reasons.

Source: Department of Finance.

TABLE 3

SUCCESSION DUTY RETURNS - AGGREGATE NET VALUE (A.N.V.) BREAKDOWN - TAXABLE RETURNS ONLY

|                   |                   | <u>BY YEAR OF DEATH</u>             |                                      |                                      |                                      |                                      |  |                                |
|-------------------|-------------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|--------------------------------|
|                   |                   | <u>\$50,000 -</u><br><u>100,000</u> | <u>\$100,000 -</u><br><u>200,000</u> | <u>\$200,000 -</u><br><u>250,000</u> | <u>\$250,000 -</u><br><u>300,000</u> | <u>\$300,000 -</u><br><u>500,000</u> | <u>\$500,000 -</u><br><u>1,000,000</u> | <u>\$1,000,000</u><br><u>+</u> |
| 1972              | Average Tax Paid  | \$ 663.33                           | 8,617.99                             | 16,484.18                            | 30,474.96                            | 56,162.82                            | 75,612.58                              | *                              |
|                   | % Taxable Revenue | 13.89                               | 7.74                                 | 12.62                                | 10.21                                | 26.89                                | 28.96                                  | *                              |
| 1973              | Average Tax Paid  | \$4,447.84                          | 13,050.90                            | 11,892.88                            | 22,034.84                            | 48,252.30                            | 157,819.96                             | 305,555.45                     |
|                   | % Taxable Revenue | 3.71                                | 11.42                                | 5.20                                 | 3.52                                 | 14.39                                | 31.38                                  | 30.38                          |
| 1974              | Average Tax Paid  | \$5,312.43                          | 13,850.73                            | 17,228.99                            | 22,994.02                            | 50,505.76                            | 269,493.19                             | *                              |
|                   | % Taxable Revenue | 8.76                                | 15.13                                | 8.45                                 | 3.08                                 | 22.52                                | 42.06                                  | *                              |
| 1975 <sup>1</sup> | Average Tax Paid  | \$5,629.56                          | 16,035.73                            | 5,182.11                             | 29,031.16                            | 53,566.61                            | 282,076.26                             | *                              |
|                   | % Taxable Revenue | 10.58                               | 15.53                                | 1.18                                 | 10.75                                | 13.73                                | 48.22                                  | *                              |

<sup>1</sup>Subject to revision due to time lapse in filing.

\*Numbers in this category below 3 have been added to the previous category for confidentiality reasons.

Source: Department of Finance

## APPENDIX C — PAPER 13

EFFECTS OF THE 1974 MANITOBA  
PROPERTY TAX CREDIT PLANINTRODUCTION

The 1974 Manitoba Budget Address provided for a major expansion of the Manitoba Property Tax Credit Plan first introduced in 1972. Maximum benefits were expanded from \$200 in 1973 to \$250 in 1974; the general minimum was raised from \$100 to \$150. As in 1973, resident homeowners of single dwelling units were given the general minimum benefit of \$150 as a direct reduction on their property tax statements. These homeowners were permitted to claim any additional or net property tax credit benefits by completing Manitoba Property Tax Credit Application Forms with their 1974 personal income tax returns.

DISTRIBUTION OF BENEFITS

According to data obtained from Revenue Canada, some 313,076 income taxfilers were recorded as credit recipients<sup>1</sup> receiving total benefits of \$55.1 million. An additional \$6.4 million in property tax credits went to individuals who apparently received their full credit entitlement through the Resident Homeowner Advance (\$150 or less) and did not complete the Manitoba Property Tax Credit Application Form. Unfortunately, these individuals and their credits are not recorded in the data from National Revenue. However, about 5,000 more people received property tax credit benefits through the income tax system in 1974 than in 1973.

Average credit benefits (including the Advance) to credit-claiming filers in 1973 were \$176, an increase of \$35 or 20% over the \$141 average under the 1973 Property Tax Credit Plan.

Total benefits provided through the income tax system under the 1974 Property Tax Credit Plan amounted to approximately \$35 million, which in addition to the Resident Homeowner Advance payments of \$26.5 million indicates that total benefits of \$61.5 million were made available under the 1974 Plan.

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<sup>1</sup>Of these 313,076, some 140,500 reported receiving a Resident Homeowner Advance -- 16,700 of which received their full property tax credit entitlement through the Resident Homeowner Advance and consequently did not receive additional benefits through the income tax system.

As well as generating significant benefits in total and on the average, the 1974 Plan was also quite successful in concentrating benefits on moderate income groups. Table I<sup>2</sup> shows the marked success of the Plan in this regard. The average property tax credits were as follows:

- \$177 in the "Under \$2,000 class",
- \$181 in the "\$2,000 - \$4,999 class",
- \$187 in the "\$5,000 - \$7,999 class",
- \$178 in the "\$8,000 - \$11,999 class",
- \$156 in the "\$12,000 - \$19,999 class", and
- \$149 in the "Over \$20,000 class".

Table I also indicates the impact of the 1974 Plan in alleviating the regressive impact of the property tax. Average property tax credit benefits of taxfilers recording benefits under the 1973 Plan range from 75.29% of average property taxes in the "Under \$2,000 class" to 20.08% of average property taxes in the "Over \$20,000 class".

#### CONCLUSION

The 1974 Property Tax Credit Plan was successful in providing benefits on a basis consistent with the principle of ability-to-pay. This is reflected not only in the average credit benefits accruing to the various income classes but also in the high proportion of property taxes offset by the credit benefits in the various income classes.

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<sup>2</sup>It should be noted that Table I is based on credit recipients recorded in Revenue Canada's statistics. It does not include information on the additional people who received benefits through the Resident Homeowner Advance Mechanism and who did not complete the Manitoba Property Tax Credit Application Form with their income tax returns.

TABLE I

CREDIT CLAIMING FILERS IN 1974<sup>1</sup> -- SELECTED STATISTICS

| <u>Income Class</u><br>\$ | <u>Number of Returns</u> | <u>Average Total Income</u><br>\$ | <u>Average Gross Property Taxes</u><br>\$ | <u>Average Gross Property Taxes as a % of Average Total Income</u> | <u>Average Property Tax Credit</u><br>\$ | <u>Average Property Tax Credit as a % of Average Gross Property Taxes</u> | <u>Average Net Property Taxes (i.e. After Deducting Average Property Tax Credit)</u><br>\$ | <u>Average Net Property Taxes as a % of Average Total Income</u> |
|---------------------------|--------------------------|-----------------------------------|---|--|--|---|--|--|
| Less than 2,000           | 39,721                   | 1,069                             | 235                                       | 21.97  | 177                                      | 75.29   | 58   | 5.4  |
| 2,000 - 4,999             | 64,785                   | 3,532                             | 271                                       | 7.69   | 181                                      | 66.60   | 91   | 2.6  |
| 5,000 - 7,999             | 66,145                   | 6,468                             | 320                                       | 4.95   | 187                                      | 58.36   | 133  | 2.1  |
| 8,000 - 11,999            | 79,708                   | 9,924                             | 403                                       | 4.06   | 178                                      | 44.13   | 225  | 2.3  |
| 12,000 - 19,999           | 52,927                   | 14,548                            | 500                                       | 3.44   | 156                                      | 31.12   | 344  | 2.4  |
| 20,000 +                  | 9,790                    | 29,720                            | 742                                       | 2.50   | 149                                      | 20.08   | 593  | 2.0  |
| T O T A L                 | 313,076                  | 8,148                             | 364                                       | 4.47 <sup>2</sup>  | 176                                      | 48.24   | 188  | 2.3  |

<sup>1</sup>No information is available on the people who received credit benefits through the Resident Homeowner Advance, and who did not complete the Property Tax Credit form with their income tax returns. Accordingly, these people are not included in the table.

<sup>2</sup>Average derived from totals for all classes.

## APPENDIX C — PAPER 14

## DEPARTMENT OF FINANCE

## STAFF STUDY

INCOME DISTRIBUTION AND PERSONAL INCOME TAX INCIDENCE  
IN MANITOBA

The distribution of income and the impact of the personal income tax system on that distribution have been subjects of increasing interest to governments across Canada in recent years.

The following staff paper summarizes the results of recent studies of before-tax and after-tax income distribution data for Manitoba, with appropriate comparisons with Canadian average data where possible.

Although preliminary, the study appears to confirm that income distribution has improved in Manitoba between 1969 and 1973. On the basis of information from tax returns, the first 75% of taxfilers received 51% of income in 1969, as compared with 53% in 1973; the share of the first 50% increased from 27% to 28% of total income, and of the first 25% from 9% to 11% of total income.

The study also appears to confirm Manitoba's concern that the principal beneficiaries of the federal government's income tax "reforms" have been high income earners. The average tax rate (total income taxes divided by total income) for those in the \$35,000 and over income class fell from 42.68% in 1971 to 35.54% in 1973, yet the average tax rate for all filers only fell from 16.81% to 15.85% (or 14.49% after Manitoba tax credits). Thus, while all income earners realized some reduction in income taxes, the highest income earners apparently received the largest reductions.

I INTRODUCTION

The well-being of Manitobans is related to many factors, which differ from person to person. Some of these factors, such as income, employment and housing standards can reasonably be measured; others, like job satisfaction or a pleasant physical and cultural environment cannot be measured so easily.

Income is the most commonly used measure of well-being since it represents ability to buy the goods and services which promote well-being. This measure, of course, excludes those factors in well-being which cannot be bought or sold. The second section of this paper examines some different methods of measuring incomes in Manitoba.

Not all income is available for purchasing goods and services since a portion is deducted as personal income tax. The impact of this tax is not proportional to income; it is progressive in that higher incomes are subject to higher marginal tax rates. In addition to the rate structure, however, the nature of exemptions and deductions must also be taken into account in order to assess the total impact of the personal income tax system.

The overall impact or "incidence" of the personal income tax system on individual Manitobans depends not only on the amount of income, but also on family size and the type and composition of income. For Manitoba as a whole, the pattern of personal income tax incidence is thus related to the province's demographic and economic structure, as well as its income distribution. The third section of this paper shows some measures of personal income tax incidence in the years 1971 and 1973. Since "tax reform" took effect from 1972, comparisons of the 1971 and 1973 tax data give some indication of the incidence of "tax reform" on tax payments by different income groups.

II INCOME DISTRIBUTION (BEFORE INCOME TAXES)

Just as income distribution is used as a proxy for the distribution of well-being, so most income distribution measures can serve only as a proxy for actual income distribution. This is due to the lack of comprehensive measures of all the factors which contribute to income.

One of the most useful measures is based on income tax data. Income tax returns constitute a universal, mandatory record of income derived from different sources. Table I contains a time series of income distribution in Manitoba over the period 1969-74 using data derived from income tax returns. The income referred to is total income net of business expenses. The table contains five income ranges of \$5,000 each and a residual range for income over \$25,000 and shows the changing pattern in income distribution. This pattern can be expressed in two basic ways: (1) the number of income tax returns filed by people with income in a particular income range; and (2) the amount of income reported by all those whose individual incomes are within that range.

Table I shows the distribution using both measures for each year in the period 1969 - 1974. A brief examination of the proportion of returns in each income class reveals the general pattern of people moving up the income ranges as their income increases. Thus, while over half of the returns filed for 1969 reported incomes below \$5,000, only about one-third of the returns filed for 1973 reported incomes below \$5,000. The rise in share to 45% in 1974 is primarily a result of the number of low-income earners who filed a tax return for the first time, solely to receive a Manitoba Cost of Living Tax Credit.<sup>(1)</sup> (The data are, of course, affected each year by changes in the tax system, but the filing of tax credit claimants had a particularly marked effect).

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(1) Under the Cost of Living Tax Credit for 1974, Manitoba taxfilers were eligible for an income tax refundable credit equal to 2% of their personal exemptions minus 1% of taxable income. For 1975 and subsequent years, benefits are 3% of personal exemptions minus 1% of taxable income.



Because the total number of returns was inflated by these additional returns, the proportion of returns in higher income ranges was correspondingly reduced. The numbers in parentheses show the distribution of returns excluding an estimate of those which were filed solely to claim this tax credit. These figures show the continuation of the trend established in 1969-73.

The share of total income measure demonstrates the same changing pattern from a different perspective. Between 1969 and 1974 the proportion of total income reported by those whose incomes were under \$5,000 was halved while that reported by those whose incomes were over \$25,000 doubled. The income share measure is effectively the returns share measure weighted by average incomes in each income class. The fact that low income cost of living tax credit recipients are excluded from the count in 1969-73 does not distort the income share pattern as much as the returns share pattern. Chart 1 contains the same information as Table I in graphic form.

This type of information which refers to particular fixed income ranges cannot clearly indicate whether the shifting income distribution over the years reflects a general increase in incomes which has affected all income groups equally, or whether certain groups have experienced relatively greater increases. Chart 2 contains a more detailed version of the information from Table I for 1969 and 1973 in diagrammatic fashion. (The 1974 data were affected so significantly by the additional reporting in the lowest income range that 1973 data were selected as being more comparable to the 1969 data). The two curves plot the share of income attributable to the appropriate share of returns in each year. Thus, in 1969, the first 53.5% of the returns accounted for 28.6% of the income, the first 90.6% of the returns accounted for 74.3% of the income (adding the first two income classes together) and so on. This particular representation is called a Lorenz Curve. Since no reference is made to dollar levels of incomes, the income distributions of different years are more directly comparable than in Chart 1.

Chart 2 indicates that the lower income tax returns had a higher share of income in 1973 than in 1969; the entire curve for 1973 is closer to the 45° line than the 1969 curve. The 45° line is the line of equality whereby any percentage of returns represents the same percentage of income. In general, the closer a curve moves towards this line, the more "equal" is the distribution of income.

It is important to note, however, that tax data are subject to three major drawbacks as a source of income data: (1) changes in the tax system require different ways of reporting incomes (income which is not taxable may not be reported, or if offset by business expenses, will not be included in "total income"); (2) in general people with low enough incomes not to be taxable do not file tax returns (except, in recent years, to claim tax credits); and (3) each return may represent either an entire family or only an individual within a family. (Several members of a family may file tax returns separately rather than one return for the family if they have income in excess of the dependents' exemptions).

In an attempt to overcome this last factor, Manitoba income tax data for 1972 have been re-sorted into "households" by a definition close to that of census families. Table II shows the resultant distribution of households (broken down also into families and unattached individuals) and total income by income class. Unfortunately, there are no Statistics Canada family income distribution data for 1972 for comparison. But, even with the exclusion of around 10% of the total population from the tax data (those whose incomes were so low that they were not required to file income tax returns) the distribution is fairly similar to that produced by the Statistics Canada data for 1971 and 1973.

Statistics Canada collects income data on a family basis by survey (the sample size for Manitoba is under 2,000 units). Statistics Canada adopts two definitions of the family for data collection purposes: (1) the "census" family which consists of a married couple or a single parent and unmarried children living with them; and (2) the "economic" family which includes all relatives living together as an economic unit. Those not included in "families" are classified as individuals.

Tables III and IIIA show the distribution of families and individuals by the two definitions in Manitoba in 1971 and 1973 (the only years for which the data are available in this form). The distribution of families by the two definitions is similar in both years. In view of the extremely small sample size, no definite conclusions should be reached from small differences in the two sets of data.

Chart 3 displays graphically income distribution data on the basis of tax returns, census families and economic families as the basic unit for Manitoba. For comparative purposes, the same information is shown for Canada. In addition, the actual information for Canada is contained in Table IV. Using the tax return base unit, Manitoba is shown as having proportionately more people in the lowest income class than Canada as a whole. This difference may be partly accounted for by Manitobans with no taxable income filing tax returns only to receive a property tax credit.<sup>(2)</sup>

In terms of census families, Manitoba has a lower proportion in the lowest income class and a higher proportion in the top income class than Canada. Yet the reverse is true for economic families. Again however, it would be inadvisable to draw conclusions based on data derived from under 1% of the relevant population.

The overall distribution of income in the province reflects its economic structure, and particularly the composition of employment. Tax data provide some information on occupation and income sources. Table V expresses Manitoba's income distribution in 1971 and 1973 in terms of occupation (as defined by the major source of income). The figures show the percentage of all filers in each occupation by income class. Employees are by far the dominant group, accounting for over 70% of taxfilers in each year.

Since occupation is defined by the major source of income, Table V does not indicate the overall distribution of specific sources of income since, for example, a filer who farmed part-time but whose major source of income was employment income would be classified as an

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(2) Under Manitoba's property tax credits first introduced in 1972, Manitoba homeowners and tenants are eligible for income related property tax credits through the income tax system.

employee and not be included in the farm category. Table VI contains information on the percentage of all filers reporting some income from the listed income sources. The percentages of course add to more than 100% since many filers report income from more than one source.

The most dramatic difference between distribution by occupation and distribution by income source occurs with investment income. Almost half of all filers had some investment income in each year, although only 3% of filers reported investment income as their main source of income. In addition, although 12% of 1971 filers and 10% of 1973 filers had some pension income, 9% in each year had pension income as their major source of income.

Table VII contains information on total income reported by occupation in each income class in each year. While employees still dominate in terms of total income, other occupations become relatively more important in income terms since, although they are few in numbers, their average income is higher than for employees. This is particularly significant in the case of professionals. Table VIIA shows the same information expressed in terms of the percentage distribution of total reported income within each occupation category; the average income for each occupation is also shown.

### III PERSONAL INCOME TAX INCIDENCE

The previous section discussed the distribution of incomes before personal income taxes are deducted. However, it is fairly clear that after-tax income is more appropriate as a measure of command over marketed goods and services (not including goods and services provided free by the government). The after-tax income distribution can be appreciably different from the pre-tax distribution. The impact of the tax system - or its "incidence" - on a particular taxpayer depends not only on income - or "ability-to-pay" - but also on family size and various expenses - or "need" - and, in addition, on his/her willingness and ability to take advantage of savings incentives incorporated in the tax system.

The final incidence of changes in the personal income tax system may be different from incidence measured by taxes paid at any one time. Depending on a taxpayer's situation, he/she may be able to

alter his/her tax status in order to shift, or transfer, the incidence of the change to someone else. Thus, a professional may shift an increase in taxation forward in the form of higher fees, or an employee might attempt to shift an increase backward to his/her employer in the form of higher wage demands. These are called "price effects". There may also be "direct effects" on economic behaviour whereby an employee works more overtime to maintain his after-tax income following a tax increase, or a taxpayer might move savings into a registered retirement savings plan (R.R.S.P.) in order to take advantage of the income tax deduction.

It is difficult to identify these effects in isolation from other economic factors. However, the tables below which show the actual incidence of personal income taxation in 1973 include the same information for 1971. Between 1971 and 1973, there were major changes in the personal income tax system. These included a major change in rate structure - the top marginal rate was reduced from 91.4% to 66.9% - major increases in exemptions, half taxation of capital gains, expansion of R.R.S.P.'s and general income tax averaging. Some indication of the shifting of the incidence of these changes can be derived by comparing the data for the two years.

The differences in occupation and income source are relevant in relation to income tax incidence in that they, together with family size and composition, determine the calculation of taxable income from total income. In particular, different occupations can claim different types of deduction from net income as expenses. These deductions include union dues, C.P.P. and U.I.C. premiums, tuition fees, carrying charges and medical expenses. Other deductions may be claimed relating to retirement savings; these are distinguished from "expenses" deductions in that they are of a more voluntary nature, the deduction acting as an incentive to save.

Total income may also be reduced by personal exemptions which relate to family responsibilities. Thus exemptions may be claimed for dependent family members, with additional exemptions to cover the added responsibilities relating to old age, disability or education.

Table VIII shows the relative significance of each step in calculating taxable income from total income in each year by income class. The differences between the two years reflect not only changes in the demographic structure and in incomes but also "tax reform" which changed the size and nature of exemptions and deductions. Thus total exemptions claimed increased by 73% compared to a 40% increase in reported income. Savings deductions, which were expanded considerably under "tax reform" almost doubled in 1973. "Expenses" deductions more than doubled between the two years, partly as a result of the increases in allowable expense deductions included in "tax reform". As a result the 40% increase in total income produced only a 22% increase in taxable income.

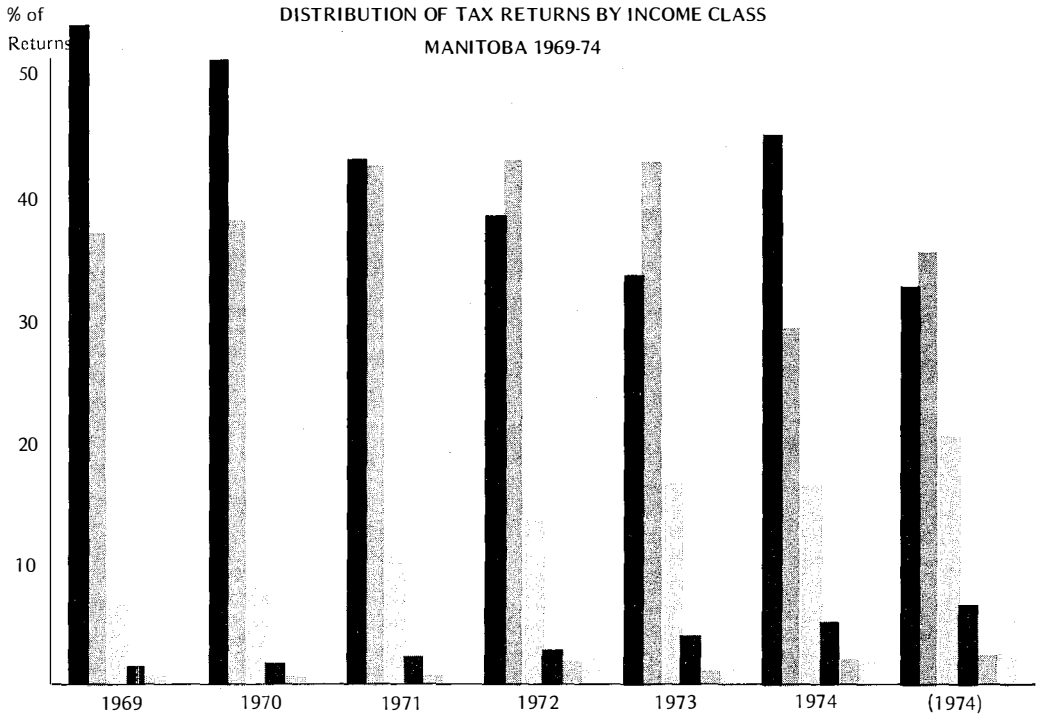
The increase in exemptions and deductions between the two years affected all income classes with the largest apparent impact being on the under \$5,000 income class. However, when the same information is compiled for average filers in each income class (Table IX) the actual dollar impact of tax reform for the lowest income class was minimal. Indeed, in dollar terms, the benefits of tax reform appear to have been concentrated among the higher income classes. Thus, while filers in the over \$35,000 income class had an average reduction from total income to taxable income of \$6,395 in 1971, the average reduction had increased to \$10,087 in 1973. This compares with reductions of \$1,277 and \$1,771 in the two years respectively for the lowest income class. While exemptions were on average higher in higher income classes in both years, the major factor is deductions which exhibited a more marked difference by income class.

Once taxable income is calculated, tax payable differs only by income class. The rate structure in the Canadian personal income tax system is progressive, i.e. the marginal tax rate is higher the higher is taxable income. In terms of total income tax payments, however, more taxes are paid by lower income class filers than higher income class filers because of the distribution of numbers of filers by income class. Table X shows the distribution of total tax payments by income class in 1971 and 1973. The introduction of the property tax credit significantly

reduced provincial tax payments in 1973. As a result, while total federal tax payable increased by 27% between the two years, the provincial tax take (after credits are taken into account) only increased by 7%. Because tax credits are designed to benefit primarily those in lower income classes, the reduction in provincial tax payable was most significant in these income classes.

Table XI contains the same information as Table X but for the average taxfiler in each income class. Table XII shows the components of tax payable as a proportion of total income. While the average provincial tax rate increased from 4.89% in 1971 to 5.09% in 1973, the federal tax rate fell from 11.92% to 10.76%. After tax credits, the average provincial tax rate fell to 3.72% in 1973.

CHART 1  
 DISTRIBUTION OF TAX RETURNS BY INCOME CLASS  
 MANITOBA 1969-74



DISTRIBUTION OF REPORTED INCOME BY INCOME CLASS  
 MANITOBA 1969-74

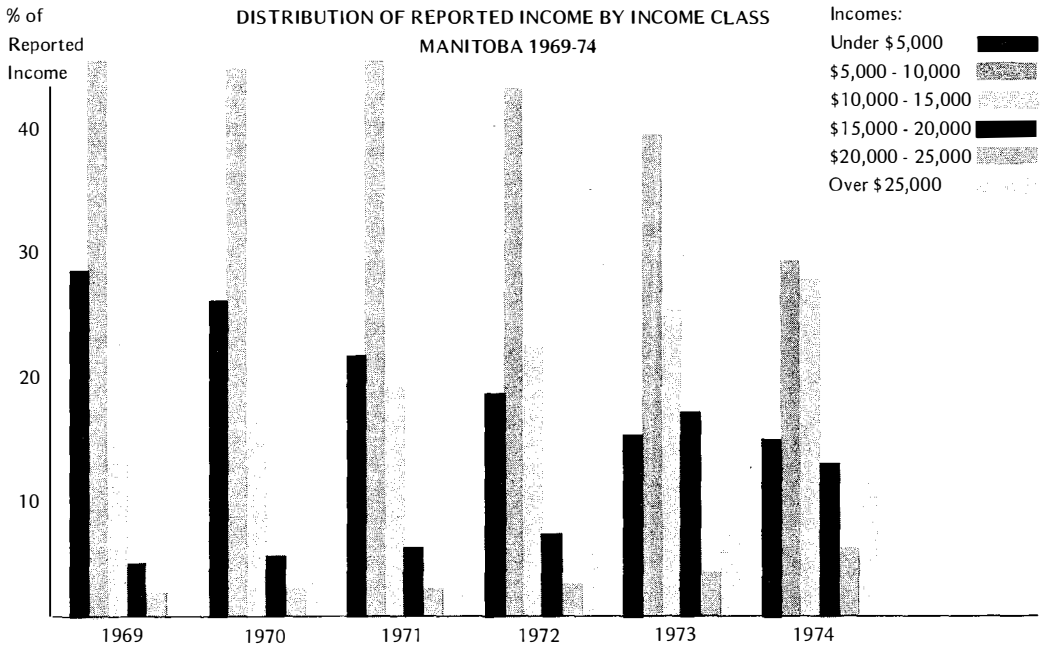




CHART 2  
LORENZ CURVES  
MANITOBA  
1969 and 1973

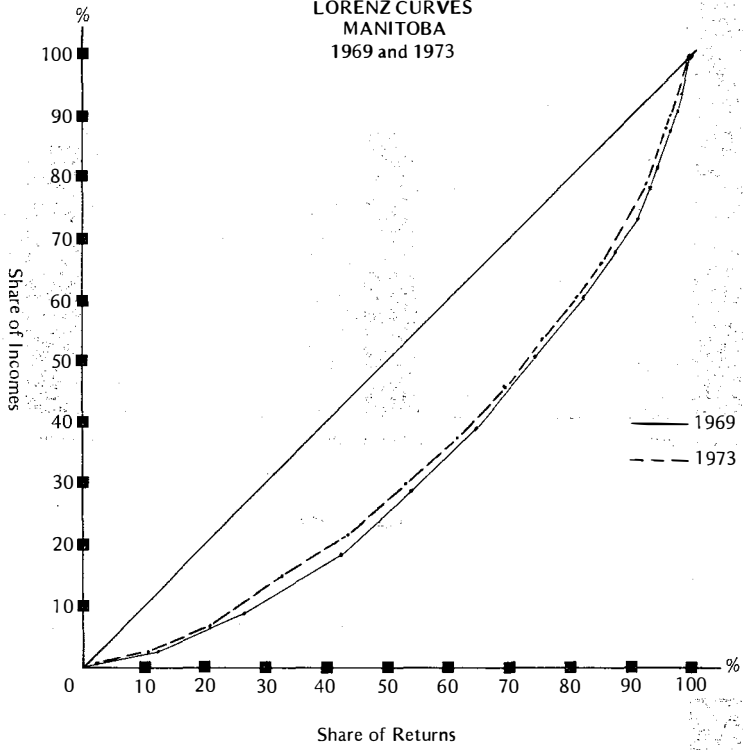
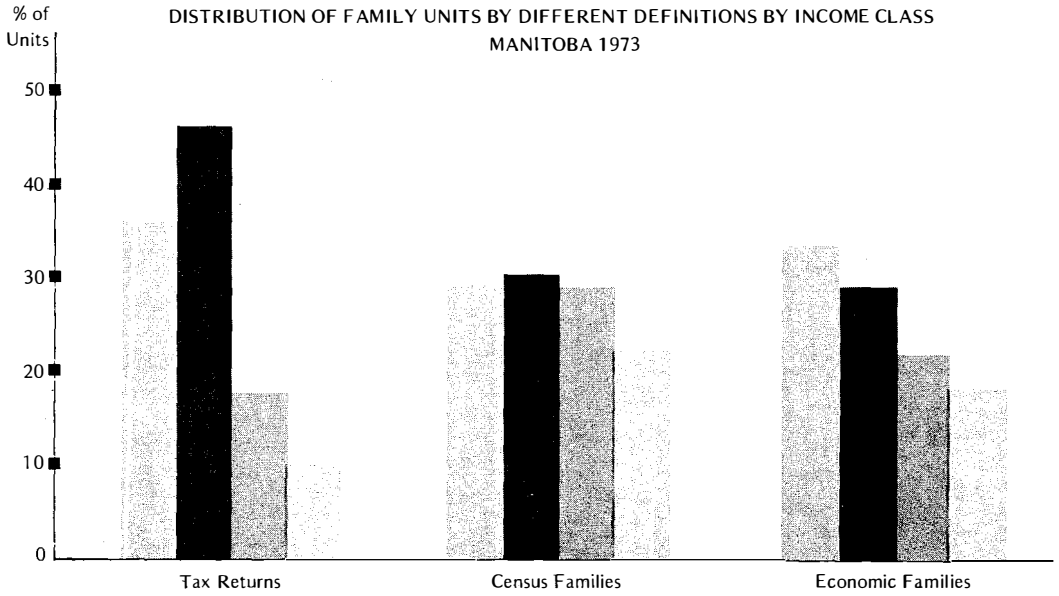
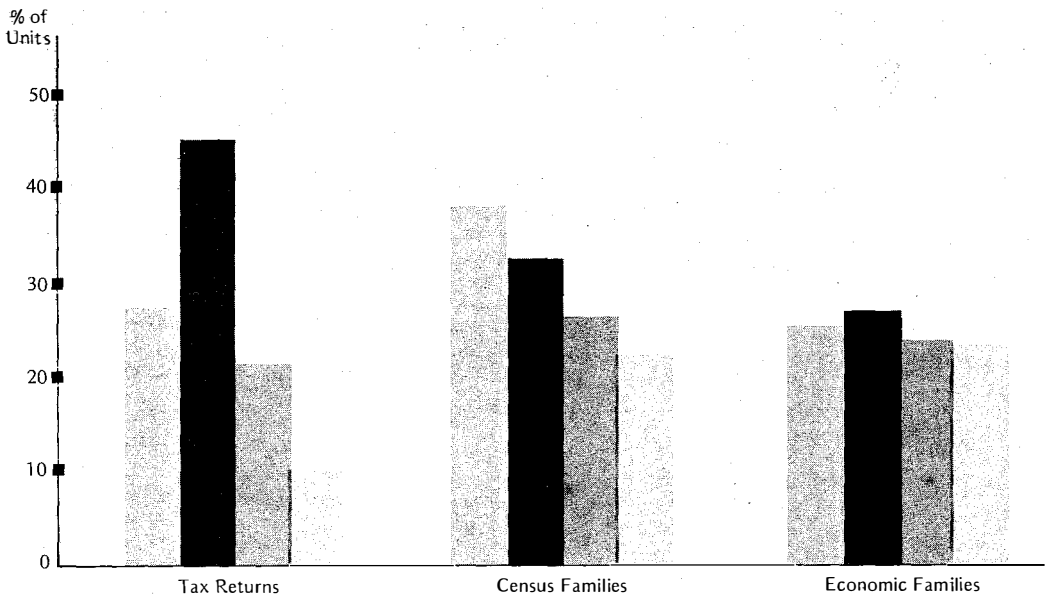


CHART 3  
 DISTRIBUTION OF FAMILY UNITS BY DIFFERENT DEFINITIONS BY INCOME CLASS  
 MANITOBA 1973



CANADA 1973



Under \$5,000  
 \$5,000 - 10,000  
 \$10,000 - 15,000  
 Over \$15,000

TABLE I

## DISTRIBUTION OF TAX RETURNS AND REPORTED INCOME BY INCOME CLASS\*\*

MANITOBA 1969-74

| Income Class                   | 1969             |                 | 1970             |                 | 1971             |                 | 1972             |                 | 1973             |                 | 1974               |                 |
|--------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|--------------------|-----------------|
|                                | Share of Returns | Share of Income | Share of Returns | Share of Income | Share of Returns | Share of Income | Share of Returns | Share of Income | Share of Returns | Share of Income | Share * of Returns | Share of Income |
| \$                             | %                | %               | %                | %               | %                | %               | %                | %               | %                | %               | %                  | %               |
| Under 5,000                    | 53.5             | 28.6            | 50.9             | 26.0            | 43.1             | 21.6            | 38.6             | 18.4            | 33.7             | 15.0            | 45.3 (33.0)        | 14.6            |
| 5,000-10,000                   | 37.1             | 45.7            | 38.0             | 45.1            | 42.3             | 45.5            | 43.0             | 43.2            | 42.9             | 39.4            | 29.1 (35.5)        | 29.2            |
| 10,000-15,000                  | 6.5              | 13.8            | 7.9              | 15.9            | 10.5             | 18.6            | 13.4             | 22.1            | 16.4             | 25.0            | 16.5 (20.3)        | 27.6            |
| 15,000-20,000                  | 1.5              | 4.4             | 1.8              | 5.0             | 2.3              | 5.8             | 2.9              | 6.9             | 4.1              | 8.8             | 5.3 ( 6.5)         | 12.4            |
| 20,000-25,000                  | 0.5              | 2.0             | 0.6              | 2.2             | 0.7              | 2.3             | 0.9              | 2.8             | 1.3              | 3.7             | 1.9 ( 2.3)         | 5.6             |
| Over 25,000                    | 0.8              | 5.5             | 0.8              | 5.7             | 1.0              | 6.1             | 1.1              | 6.5             | 1.6              | 8.2             | 2.0 ( 2.5)         | 10.6            |
| Total Number of Returns ('000) | 415              |                 | 428              |                 | 436              |                 | 486              |                 | 510              |                 | 542                |                 |
| Total Income (\$ millions)     |                  | 1,951           |                  | 2,109           |                  | 2,283           |                  | 2,721           |                  | 3,197           |                    | 3,858           |

\*Data in parentheses represent an estimate of the distribution of returns excluding returns filed solely to claim a tax credit.

\*\*Data may differ from those presented later in text owing to differing formulations of raw tax data.

SOURCE: Revenue Canada, Taxation/Manitoba Department of Finance.

TABLE II

Percentage Distribution of Household Units\*  
and Income by Income Class  
Manitoba 1972: Tax Data

| <u>Income Class (\$)</u> | <u>Distribution of Units (%)</u> |                    |                  | <u>Distribution of Income (%)</u> |                    |                |
|--------------------------|----------------------------------|--------------------|------------------|-----------------------------------|--------------------|----------------|
|                          | <u>Families</u>                  | <u>Individuals</u> | <u>All Units</u> | <u>Families</u>                   | <u>Individuals</u> | <u>All Uni</u> |
| Under 5,000              | 29.1                             | 56.9               | 41.2             | 8.3                               | 22.9               | 13.2           |
| 5,000-10,000             | 34.6                             | 25.4               | 30.6             | 29.0                              | 30.7               | 29.6           |
| 10,000-15,000            | 23.4                             | 11.5               | 18.2             | 31.4                              | 23.7               | 28.8           |
| 15,000-20,000            | 8.0                              | 4.0                | 6.3              | 15.1                              | 11.6               | 13.9           |
| 20,000-25,000            | 2.6                              | 1.2                | 2.0              | 6.3                               | 4.3                | 5.6            |
| Over 25,000              | 2.3                              | 1.0                | 1.7              | 9.9                               | 6.8                | 8.8            |

\*A 'household unit' is approximately defined as a census family. All units other than unattached individuals are classified as 'families'.

SOURCE: Revenue Canada, Taxation/Manitoba Department of Finance.

TABLE III

Percentage Distribution of Census Families by Income Class  
Manitoba 1971, 1973

| <u>Income Class (\$)</u> | <u>1971</u>            |                           |                         | <u>1973</u>            |                           |                         |
|--------------------------|------------------------|---------------------------|-------------------------|------------------------|---------------------------|-------------------------|
|                          | <u>Families</u><br>(%) | <u>Individuals</u><br>(%) | <u>All Units</u><br>(%) | <u>Families</u><br>(%) | <u>Individuals</u><br>(%) | <u>All Units</u><br>(%) |
| Under 5,000              | 24.6                   | 74.7                      | 41.3                    | 18.1                   | 70.7                      | 25.3                    |
| 5,000-10,000             | 39.2                   | 20.1                      | 32.9                    | 29.8                   | 23.4                      | 28.9                    |
| 10,000-15,000            | 25.4                   | 3.8                       | 18.2                    | 28.4                   | 4.5                       | 25.1                    |
| 15,000-25,000            | 9.0                    | 1.2                       | 7.6                     | 20.8                   | 1.2                       | 20.7                    |
| Over 25,000              | 1.8                    |                           |                         | 3.0                    |                           |                         |

SOURCE: Statistics Canada

TABLE IIIA

Percentage Distribution of Economic Families by Income Class  
Manitoba 1971, 1973

| <u>Income Class (\$)</u> | <u>1971</u>            |                           |                         | <u>1973</u>            |                           |                         |
|--------------------------|------------------------|---------------------------|-------------------------|------------------------|---------------------------|-------------------------|
|                          | <u>Families</u><br>(%) | <u>Individuals</u><br>(%) | <u>All Units</u><br>(%) | <u>Families</u><br>(%) | <u>Individuals</u><br>(%) | <u>All Units</u><br>(%) |
| Under 5,000              | 24.4                   | 70.5                      | 37.1                    | 17.5                   | 69.4                      | 32.1                    |
| 5,000-10,000             | 38.0                   | 21.6                      | 33.9                    | 29.6                   | 24.0                      | 28.0                    |
| 10,000-15,000            | 26.0                   | 6.8                       | 21.0                    | 28.3                   | 5.3                       | 21.8                    |
| 15,000-25,000            | 9.7                    | 1.1                       | 7.6                     | 21.5                   | 1.0                       | 15.7                    |
| Over 25,000              | 1.8                    | 0.1                       | 1.4                     | 3.2                    | 0.4                       | 2.4                     |

SOURCE: Statistics Canada

TABLE IV

Measures of Income DistributionCanada 1973

| <u>Income Class</u><br><u>(\$)</u> | <u>Distribution of</u><br><u>Tax Returns</u><br><u>(%)</u> | <u>Distribution of</u><br><u>Census Families*</u><br><u>(%)</u> | <u>Distribution of</u><br><u>Economic Families*</u><br><u>(%)</u> |
|------------------------------------|--|---|---|
| Under 5,000                        | 28.4   | 30.8  | 26.1  |
| 5,000-10,000                       | 42.8   | 26.4  | 26.8  |
| 10,000-15,000                      | 19.6   | 22.2  | 23.7  |
| 15,000-25,000                      | 7.1  | 20.5  | 18.9  |
| Over 25,000                        | 2.1  |   |   |

SOURCE: Revenue Canada Taxation, Statistics Canada

\*All Units i.e. families and individuals

TABLE V  
DISTRIBUTION OF ALL FILERS BY OCCUPATION  
BY INCOME CLASS

MANITOBA 1971, 1973

| Income<br>Class<br>\$ | Employees<br>% | Businessmen<br>% | Farmers &<br>Fishermen<br>% | Professionals<br>% | Property<br>Owners<br>% | Investors<br>% | Pensioners<br>% | Total<br>% |
|-----------------------|----------------|------------------|-----------------------------|--------------------|-------------------------|----------------|-----------------|------------|
| <u>1971</u>           |                |                  |                             |                    |                         |                |                 |            |
| Under 5,000           | 30.93          | 1.72             | 3.27                        | 0.15               | 6.53                    | 2.15           | 8.25            | 49.43      |
| 5,000 - 10,000        | 28.38          | 0.89             | 1.77                        | 0.11               | 0.18                    | 0.60           | 0.77            | 32.89      |
| 10,000 - 15,000       | 10.99          | 0.38             | 0.62                        | 0.05               | 0.06                    | 0.20           | 0.08            | 12.40      |
| 15,000 - 20,000       | 2.47           | 0.11             | 0.28                        | 0.05               | 0.01                    | 0.09           | 0.02            | 3.03       |
| 20,000 - 35,000       | 1.11           | 0.08             | 0.19                        | 0.13               | 0.02                    | 0.08           | 0.00            | 1.62       |
| 35,000 and Over       | 0.24           | 0.02             | 0.03                        | 0.18               | 0.01                    | 0.05           | 0.00            | 0.53       |
| TOTAL                 | 74.12          | 3.20             | 6.16                        | 0.67               | 0.81                    | 3.17           | 9.12            | 99.90*     |
| <u>1973</u>           |                |                  |                             |                    |                         |                |                 |            |
| Under 5,000           | 30.31          | 1.69             | 3.21                        | 0.15               | 0.52                    | 2.12           | 8.10            | 48.56      |
| 5,000 - 10,000        | 27.19          | 1.00             | 1.74                        | 0.11               | 0.17                    | 0.59           | 0.76            | 32.25      |
| 10,000 - 15,000       | 10.67          | 0.38             | 0.61                        | 0.05               | 0.06                    | 0.20           | 0.08            | 12.22      |
| 15,000 - 20,000       | 2.43           | 0.11             | 0.28                        | 0.05               | 0.01                    | 0.09           | 0.09            | 3.19       |
| 20,000 - 35,000       | 1.07           | 0.08             | 0.19                        | 0.12               | 0.02                    | 0.08           | 0.00            | 1.59       |
| 35,000 and Over       | 0.23           | 0.02             | 0.03                        | 0.18               | 0.01                    | 0.05           | 0.00            | 0.52       |
| TOTAL                 | 71.90          | 3.28             | 6.06                        | 0.66               | 0.79                    | 3.13           | 9.03            | 98.33*     |

\* Differ from 100.00% due to rounding.

SOURCE: Revenue Canada, Taxation/Manitoba Department of Finance.

TABLE VI  
 DISTRIBUTION OF FILERS REPORTING  
 SOME INCOME FROM LISTED SOURCE, BY INCOME CLASS

| <u>MANITOBA 1971, 1973</u> |                               |                                 |                                |                                |                                     |                               |                            |                           |                                   |
|----------------------------|-------------------------------|---------------------------------|--------------------------------|--------------------------------|-------------------------------------|-------------------------------|----------------------------|---------------------------|-----------------------------------|
| <u>Income Class</u><br>\$  | <u>Employment Income</u><br>% | <u>Net Business Income</u><br>% | <u>Net Farming Income</u><br>% | <u>Net Fishing Income</u><br>% | <u>Net Professional Income</u><br>% | <u>Net Rental Income</u><br>% | <u>Pension Income</u><br>% | <u>Capital Gains</u><br>% | <u>Net Investment Income</u><br>% |
| <u>1971</u>                |                               |                                 |                                |                                |                                     |                               |                            |                           |                                   |
| Under 5,000                | 43.24                         | 2.72                            | 7.23                           | 0.07                           | 0.29                                | 1.64                          | 9.09                       | N/A                       | 21.62                             |
| 5,000 - 10,000             | 29.04                         | 1.31                            | 1.48                           | 0.06                           | 0.23                                | 1.36                          | 2.27                       | N/A                       | 15.82                             |
| 10,000 - 15,000            | 7.24                          | 0.43                            | 0.30                           | 0.01                           | 0.14                                | 0.53                          | 0.48                       | N/A                       | 4.72                              |
| 15,000 - 20,000            | 1.48                          | 0.13                            | 0.06                           | -                              | 0.11                                | 0.19                          | 0.14                       | N/A                       | 1.30                              |
| 20,000 - 35,000            | 0.70                          | 0.06                            | 0.03                           | -                              | 0.17                                | 0.12                          | 0.09                       | N/A                       | 0.73                              |
| 35,000 and Over            | 0.22                          | 0.02                            | 0.01                           | -                              | 0.17                                | 0.08                          | 0.04                       | N/A                       | 0.32                              |
| TOTAL                      | 81.92                         | 4.66                            | 9.11                           | 0.14                           | 1.10                                | 3.92                          | 12.11                      | N/A                       | 44.51                             |
| <u>1973</u>                |                               |                                 |                                |                                |                                     |                               |                            |                           |                                   |
| Under 5,000                | 33.60                         | 2.08                            | 3.97                           | 0.10                           | 0.22                                | 1.37                          | 11.80                      | 0.90                      | 20.14                             |
| 5,000 - 10,000             | 28.63                         | 1.54                            | 2.45                           | 0.06                           | 0.26                                | 1.23                          | 3.37                       | 1.06                      | 16.24                             |
| 10,000 - 15,000            | 11.32                         | 0.68                            | 0.89                           | 0.01                           | 0.17                                | 0.68                          | 0.82                       | 1.00                      | 7.55                              |
| 15,000 - 20,000            | 2.67                          | 0.18                            | 0.35                           | -                              | 0.09                                | 0.20                          | 0.24                       | 0.46                      | 2.29                              |
| 20,000 - 35,000            | 1.22                          | 0.14                            | 0.23                           | -                              | 0.18                                | 0.15                          | 0.19                       | 0.46                      | 1.34                              |
| 35,000 and Over            | 0.34                          | 0.05                            | 0.05                           | -                              | 0.20                                | 0.09                          | 0.06                       | 0.21                      | 0.48                              |
| TOTAL                      | 77.78                         | 4.66                            | 7.85                           | 0.17                           | 1.11                                | 3.73                          | 16.48                      | 4.08                      | 48.03                             |

SOURCE: Revenue Canada, Taxation/Manitoba Department of Finance.



TABLE VII  
DISTRIBUTION OF TOTAL INCOME REPORTED WITHIN OCCUPATIONS BY INCOME CLASS  
MANITOBA 1971, 1973

| <u>Total Income Class</u> | <u>Employees</u> | <u>Businessmen</u> | <u>Farmers &amp; Fishermen</u> | <u>Professionals</u> | <u>Property Owners</u> | <u>Investors</u> | <u>Pensioners</u> | <u>Total</u> |
|---------------------------|------------------|--------------------|--------------------------------|----------------------|------------------------|------------------|-------------------|--------------|
| \$                        | %                | %                  | %                              | %                    | %                      | %                | %                 | %            |
| 1971                      |                  |                    |                                |                      |                        |                  |                   |              |
| Under 5,000               | 23.4             | 30.5               | 58.5                           | 2.3                  | 32.9                   | 39.7             | 69.6              | 26.2         |
| 5,000 - 10,000            | 46.8             | 36.1               | 28.9                           | 5.7                  | 21.6                   | 27.1             | 23.5              | 43.2         |
| 10,000 - 15,000           | 19.0             | 16.4               | 7.9                            | 5.6                  | 13.4                   | 11.7             | 4.5               | 17.6         |
| 15,000 - 20,000           | 5.4              | 8.2                | 2.8                            | 7.0                  | 8.1                    | 9.2              | 1.3               | 5.5          |
| 20,000 - 35,000           | 3.6              | 6.2                | 1.3                            | 23.9                 | 12.2                   | 7.7              | 0.8               | 4.2          |
| 35,000 and over           | 1.7              | 2.7                | 0.6                            | 55.4                 | 11.9                   | 4.7              | 0.4               | 3.3          |
| TOTAL                     | 100.0            | 100.0              | 100.0                          | 100.0                | 100.0                  | 100.0            | 100.0             | 100.0        |
| Average Income(\$)        | 5,908            | 5,414              | 2,308                          | 21,217               | 4,608                  | 5,185            | 1,802             | 5,236        |
| 1973                      |                  |                    |                                |                      |                        |                  |                   |              |
| Under 5,000               | 16.9             | 20.2               | 20.1                           | 2.2                  | 27.0                   | 28.4             | 71.4              | 19.4         |
| 5,000 - 10,000            | 40.6             | 33.0               | 32.1                           | 5.2                  | 25.6                   | 22.8             | 22.1              | 37.8         |
| 10,000 - 15,000           | 26.2             | 21.8               | 19.3                           | 3.5                  | 14.1                   | 13.4             | 4.3               | 23.6         |
| 15,000 - 20,000           | 8.4              | 9.0                | 12.6                           | 5.2                  | 4.5                    | 7.9              | 1.2               | 8.3          |
| 20,000 - 35,000           | 5.4              | 9.4                | 12.4                           | 22.7                 | 12.6                   | 10.7             | 0.5               | 6.3          |
| 35,000 and over           | 2.5              | 6.6                | 3.5                            | 61.3                 | 16.1                   | 16.7             | 0.5               | 4.5          |
| TOTAL                     | 100.0            | 100.0              | 100.0                          | 100.0                | 100.0                  | 100.0            | 100.0             | 100.0        |
| Average Income(\$)        | 6,805            | 6,479              | 6,248                          | 23,006               | 6,107                  | 5,660            | 2,486             | 6,270        |

Source: Revenue Canada Taxation/Manitoba Department of Finance

TABLE VIIICALCULATION OF TAXABLE INCOME BY INCOME CLASS\*

| <u>MANITOBA - ALL FILERS</u> |               |               |                   |                   |                   |                |
|------------------------------|---------------|---------------|-------------------|-------------------|-------------------|----------------|
| <u>1971 AND 1973</u>         |               |               |                   |                   |                   |                |
| <u>\$ MILLIONS</u>           |               |               |                   |                   |                   |                |
| <u>1971</u>                  | <u>Income</u> | <u>Income</u> | <u>Exemptions</u> | <u>"Savings"</u>  | <u>"Expenses"</u> | <u>Taxable</u> |
| <u>Class</u>                 |               |               |                   | <u>Deductions</u> | <u>Deductions</u> | <u>Income</u>  |
|                              | <u>\$</u>     |               |                   |                   |                   |                |
| Under 5,000                  | 597.2         | 336.6         | 3.7               | 45.2              | 275.1             |                |
| 5,000-10,000                 | 983.6         | 240.4         | 26.0              | 45.1              | 672.1             |                |
| 10,000-15,000                | 399.6         | 72.4          | 15.4              | 17.1              | 294.8             |                |
| 15,000-20,000                | 124.6         | 16.4          | 6.0               | 5.3               | 96.9              |                |
| 20,000-35,000                | 96.5          | 8.8           | 4.5               | 4.7               | 78.6              |                |
| 35,000 & Over                | 81.7          | 3.6           | 2.4               | 3.9               | 71.8              |                |
| Total                        | 2,283.2       | 678.3         | 57.9              | 121.4             | 1,489.2           |                |
| <br>                         |               |               |                   |                   |                   |                |
| <u>1973</u>                  |               |               |                   |                   |                   |                |
| Under 5,000                  | 627.6         | 520.8         | 2.9               | 62.1              | 174.7             |                |
| 5,000-10,000                 | 1,196.3       | 394.1         | 29.0              | 83.5              | 690.9             |                |
| 10,000-15,000                | 754.7         | 177.2         | 33.4              | 43.7              | 500.5             |                |
| 15,000-20,000                | 267.8         | 48.5          | 16.1              | 16.7              | 186.7             |                |
| 20,000-35,000                | 204.9         | 26.0          | 15.5              | 12.8              | 150.6             |                |
| 35,000 & Over                | 146.1         | 8.7           | 6.8               | 11.8              | 118.7             |                |
| Total                        | 3,197.3       | 1,175.3       | 103.7             | 230.7             | 1,822.1           |                |

\*Not all exemptions and deductions may be used by those in the under \$5,000 income class.

Source: Revenue Canada, Taxation/ Manitoba Department of Finance.

TABLE IX  
CALCULATION OF TAXABLE INCOME BY INCOME CLASS\*

MANITOBA - AVERAGE - ALL FILERS

1971 AND 1973

| <u>1971</u> | <u>Income Class</u> | <u>Income</u> | <u>Exemptions</u> | <u>"Savings" Deductions</u> | <u>"Expenses" Deductions</u> | <u>Taxable Income</u> |
|-------------|---------------------|---------------|-------------------|-----------------------------|------------------------------|-----------------------|
|             | \$                  | \$            | \$                | \$                          | \$                           | \$                    |
|             | Under 5,000         | 2,385         | 1,335             | 15                          | 179                          | 1,091                 |
|             | 5,000-10,000        | 7,171         | 1,753             | 190                         | 329                          | 4,900                 |
|             | 10,000-15,000       | 11,789        | 2,136             | 453                         | 505                          | 8,696                 |
|             | 15,000-20,000       | 16,880        | 2,222             | 809                         | 714                          | 13,135                |
|             | 20,000-35,000       | 25,175        | 2,286             | 1,170                       | 1,231                        | 20,489                |
|             | 35,000 & Over       | 52,815        | 2,344             | 1,529                       | 2,522                        | 46,420                |
|             | Total               | 5,236         | 1,556             | 133                         | 278                          | 3,415                 |
| <br>        |                     |               |                   |                             |                              |                       |
| <u>1973</u> | Under 5,000         | 2,455         | 2,038             | 11                          | 243                          | 684                   |
|             | 5,000-10,000        | 7,264         | 2,393             | 176                         | 507                          | 4,195                 |
|             | 10,000-15,000       | 12,005        | 2,818             | 532                         | 695                          | 7,961                 |
|             | 15,000-20,000       | 16,919        | 3,065             | 1,016                       | 1,056                        | 11,796                |
|             | 20,000-35,000       | 24,865        | 3,154             | 1,887                       | 1,552                        | 18,272                |
|             | 35,000 & Over       | 53,903        | 3,218             | 2,516                       | 4,353                        | 43,816                |
|             | Total               | 6,270         | 2,305             | 203                         | 452                          | 3,357                 |

\*Not all exemptions and deductions may be used by those in the under \$5,000 income class.

Source: Revenue Canada, Taxation/Manitoba Department of Finance.

TABLE X  
TOTAL TAX PAYMENTS BY INCOME CLASS

| MANITOBA - ALL FILERS |               |                |            |                    |             |                |
|-----------------------|---------------|----------------|------------|--------------------|-------------|----------------|
| 1971 AND 1973         |               |                |            |                    |             |                |
| \$ MILLIONS           |               |                |            |                    |             |                |
| 1971                  | Income Class  | Provincial Tax | Tax Credit | Net Provincial Tax | Federal Tax | Net* Total Tax |
| ----                  | \$            | -----          | -----      | -----              | -----       | -----          |
|                       | Under 5,000   | 12.6           | N/A        | 12.6               | 37.5        | 50.1           |
|                       | 5,000-10,000  | 43.9           | N/A        | 43.9               | 116.7       | 160.6          |
|                       | 10,000-15,000 | 23.6           | N/A        | 23.6               | 55.0        | 78.6           |
|                       | 15,000-20,000 | 9.5            | N/A        | 9.5                | 19.9        | 29.4           |
|                       | 20,000-35,000 | 9.7            | N/A        | 9.7                | 19.2        | 28.9           |
|                       | 35,000 & Over | 12.0           | N/A        | 12.0               | 22.8        | 34.8           |
|                       | Total         | 111.3          | N/A        | 111.3              | 271.1       | 382.4          |
| <u>1973</u>           |               |                |            |                    |             |                |
|                       | Under 5,000   | 12.7           | 17.1       | (4.4)              | 18.9        | 14.5           |
|                       | 5,000-10,000  | 56.2           | 18.0       | 38.2               | 116.0       | 154.2          |
|                       | 10,000-15,000 | 44.2           | 6.7        | 37.6               | 97.7        | 135.3          |
|                       | 15,000-20,000 | 17.7           | 1.2        | 16.4               | 39.5        | 55.9           |
|                       | 20,000-35,000 | 16.1           | 0.6        | 15.5               | 36.0        | 51.5           |
|                       | 35,000 & Over | 15.8           | 0.2        | 15.7               | 36.1        | 51.8           |
|                       | Total         | 162.7          | 43.7       | 119.0              | 344.1       | 463.1          |

\*Net provincial tax plus federal tax.

Source: Revenue Canada, Taxation/Manitoba Department of Finance.

TABLE XI

AVERAGE TAX PAYMENT BY INCOME CLASS

MANITOBA - ALL FILERS

1971 AND 1973

| <u>1971</u> | <u>Income Class</u> | <u>Income</u> | <u>Provincial Tax</u> | <u>Tax Credit</u> | <u>Net Provincial Tax</u> | <u>Federal Tax</u> | <u>Net* Total Tax</u> | <u>Disposable Income</u> |
|-------------|---------------------|---------------|-----------------------|-------------------|---------------------------|--------------------|-----------------------|--------------------------|
|             | \$                  | \$            | \$                    | \$                | \$                        | \$                 | \$                    | \$                       |
|             | Under 5,000         | 2,385         | 50                    | N/A               | 50                        | 148                | 198                   | 2,187                    |
|             | 5,000-10,000        | 7,171         | 321                   | N/A               | 321                       | 851                | 1,172                 | 5,999                    |
|             | 10,000-15,000       | 11,787        | 699                   | N/A               | 699                       | 1,622              | 2,321                 | 9,466                    |
|             | 15,000-20,000       | 16,880        | 1,283                 | N/A               | 1,283                     | 2,697              | 3,980                 | 12,900                   |
|             | 20,000-35,000       | 25,175        | 2,534                 | N/A               | 2,534                     | 5,007              | 7,541                 | 17,634                   |
|             | 35,000 & Over       | 52,815        | 7,791                 | N/A               | 7,791                     | 14,748             | 22,539                | 30,276                   |
|             | Total               | 5,236         | 256                   | N/A               | 256                       | 624                | 880                   | 4,356                    |
| <u>1973</u> |                     |               |                       |                   |                           |                    |                       |                          |
|             | Under 5,000         | 2,455         | 50                    | 67                | (17)                      | 74                 | 57                    | 2,398                    |
|             | 5,000-10,000        | 7,264         | 341                   | 109               | 232                       | 704                | 936                   | 6,328                    |
|             | 10,000-15,000       | 12,005        | 704                   | 106               | 598                       | 1,554              | 2,152                 | 9,853                    |
|             | 15,000-20,000       | 16,919        | 1,116                 | 78                | 1,038                     | 2,496              | 3,534                 | 13,385                   |
|             | 20,000-35,000       | 24,865        | 1,951                 | 73                | 1,878                     | 4,366              | 6,244                 | 18,621                   |
|             | 35,000 & Over       | 53,903        | 5,841                 | 73                | 5,768                     | 13,321             | 19,089                | 34,814                   |
|             | Total               | 6,270         | 319                   | 86                | 233                       | 675                | 908                   | 5,362                    |

\*Net provincial tax plus federal tax.

Source: Revenue Canada, Taxation/Manitoba Department of Finance.

TABLE XII  
AVERAGE TAX RATE BY INCOME CLASS

| <u>MANITOBA - ALL FILERS</u> |                       |                        |                 |                               |                     |                    |                            |
|------------------------------|-----------------------|------------------------|-----------------|-------------------------------|---------------------|--------------------|----------------------------|
| <u>1971 and 1973</u>         |                       |                        |                 |                               |                     |                    |                            |
| <u>1971</u>                  | Income<br>Class<br>\$ | Provincial<br>Tax<br>% | Tax Credit<br>% | Net<br>Provincial<br>Tax<br>% | Federal<br>Tax<br>% | Total<br>Tax*<br>% | Net<br>Total<br>Tax**<br>% |
|                              | Under 5,000           | 2.10                   | N/A             | 2.10                          | 6.21                | 8.30               | 8.30                       |
|                              | 5,000-10,000          | 4.48                   | N/A             | 4.48                          | 11.87               | 16.34              | 16.34                      |
|                              | 10,000-15,000         | 5.93                   | N/A             | 5.93                          | 13.76               | 19.69              | 19.69                      |
|                              | 15,000-20,000         | 7.59                   | N/A             | 7.59                          | 15.98               | 23.58              | 23.58                      |
|                              | 20,000-35,000         | 10.07                  | N/A             | 10.07                         | 19.89               | 29.95              | 29.95                      |
|                              | 35,000 & Over         | 14.74                  | N/A             | 14.74                         | 27.92               | 42.68              | 42.68                      |
|                              | Total                 | 4.89                   | N/A             | 4.89                          | 11.92               | 16.81              | 16.81                      |
| <u>1973</u>                  | Under 5,000           | 2.04                   | 2.73            | (0.70)                        | 3.01                | 5.05               | 2.31                       |
|                              | 5,000-10,000          | 4.70                   | 1.50            | 3.19                          | 9.69                | 14.39              | 12.89                      |
|                              | 10,000-15,000         | 5.86                   | 0.88            | 4.98                          | 12.95               | 18.81              | 17.92                      |
|                              | 15,000-20,000         | 6.60                   | 0.46            | 6.14                          | 14.76               | 21.36              | 20.89                      |
|                              | 20,000-35,000         | 7.85                   | 0.29            | 7.55                          | 17.56               | 25.41              | 25.11                      |
|                              | 35,000 & Over         | 10.84                  | 0.14            | 10.70                         | 24.70               | 35.54              | 35.41                      |
|                              | Total                 | 5.09                   | 1.37            | 3.72                          | 10.76               | 15.85              | 14.49                      |

\* Provincial tax rate plus federal tax rate.

\*\* Net provincial tax rate plus federal tax rate.

Source: Revenue Canada Taxation/Manitoba Department of Finance.