

Let's make the next century...
...Manitoba's century

GARY FILMON'S

50/50 PLAN

*"This campaign is about
choosing the best plan
for the future"*

Gary Filmon

KEEP OUR CHILDREN
RIGHT HERE
IN MANITOBA

*"I believe our most important goal must
be to do everything possible to keep and
attract young people to this province."*

(Gary Filmon)

STOP THE TAX GAP NOW!
OR IN FOUR YEARS IT
WILL BE ALMOST 50%

*"It's a problem we must deal with now.
It should not cost 50% more in taxes to
live here ... it's not right."*

(Gary Filmon)

A BALANCED
PLAN WITH A
BRIGHT FUTURE

*"Our plan will close the tax gap by
balancing increased spending for
Health, Education and other priorities,
with Personal Income Tax and Property
Tax Cuts. We will pay for that plan by
maintaining economic growth and
finding new savings in government
spending."*

(Gary Filmon)

MANITOBA PROGRESSIVE ORGANIZATIONS
**Gary
Filmon**
Strong Leadership. Bright Future.

www.filmonteam.com

GARY FILMON'S PLAN FOR THE NEW CENTURY...

Keeping our kids at home

The Pan Am Games have shown what Manitobans can do when we work together toward a common and united goal.

So what's next? For Manitoba the answer is clear. The most important challenge we face today is to work together to keep our kids at home - right here in Manitoba. In fact, that's what this election is all about: Who has the best plan for the future?

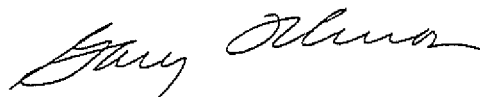
Our Plan will create jobs for young people, particularly in the new economy, the main source of new jobs for the future . . . we will work to provide Manitobans with the skills and abilities they need to fill these jobs . . . and we will make sure Manitoba isn't just a great place to work, but a great place to live.

Our economic strengths can't be taken for granted. A recent KPMG study on the City of Winnipeg warns us that to move forward we must continue to innovate and change. In fact, right now, Manitoba is facing a problem that can't be ignored -- a rapidly escalating Tax Gap that could easily drive our young people away. Nearby provinces and states are either planning to lower, or have already lowered personal income taxes dramatically.

For example, Ontario just voted for major income tax cuts. That means, in four years we'll be paying almost 50% more provincial income tax than the people of Ontario. It shouldn't cost more to live in Manitoba. That's why our plan will bring taxes down so our kids can afford to stay at home. Our Plan will close the 50% tax gap.

Our Plan is balanced. It will increase spending for priorities like health and education, while allowing for personal income, property and other tax cuts. We will pay for that plan by maintaining economic growth and finding new savings in government spending.

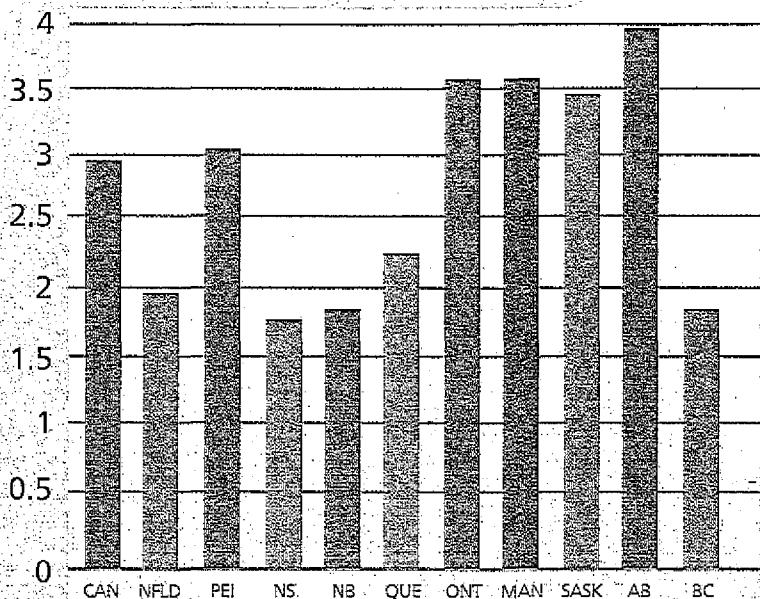
During the campaign we will be announcing further details of our Plan. Please examine them closely. I encourage you to discuss them with your family, friends and neighbors. In the end, the final decision to make the next century Manitoba's century, is yours.



GARY FILMON,
August 1999

New Jobs for the New Century

Average Real GDP Growth 1994-1998



The foundation of a better tomorrow is a strong economy today. Over the past 11 years we have all worked hard to generate real economic growth for Manitoba, and the results are paying off. For the last four years our economy has been growing at one of the fastest rates in Canada, second only to Alberta.

The results speak for themselves:

- More Manitobans working today than at any time in our history - Manitoba Bureau of Statistics (MBS)
- New Economic records set in trade & investment (MBS)
- Lowest unemployment (5.6%) and lowest youth unemployment (9.8%) in Canada (Stats Can)
- More people coming to Manitoba than leaving for just the 3rd time in 30 years (MBS)

WE CAN'T TAKE SUCCESS FOR GRANTED...

We must create new and better jobs

We all know that in today's constantly changing global economy, we can't take our current economic success for granted. That's why Gary Filmon and the PCs have a plan to create new and better jobs for the new century.

The Filmon Plan maintains our economic foundation. The Filmon Plan will maintain a strong commitment to building up and diversifying our resource industries including agriculture, forestry and mining. It will also continue to support the strong growth we have experienced in our manufacturing and service industries.

But we can't secure economic success in the new century by simply repeating the programs that worked in the past. Gary Filmon understands that it is the knowledge-based sector that will be creating many of the new jobs in the new century.

The Filmon Plan has three main approaches to securing these jobs:

- Improving the high technology infrastructure that keeps us connected with the new economy;
- Helping Manitobans equip themselves with the skills and education they need to fill the jobs of the new economy; and
- Ensuring that Manitoba remains not just a good place to work, but a great place to live.

THE FILMON PLAN WILL CREATE THE OPPORTUNITIES, SKILLS AND QUALITY OF LIFE WE NEED TO KEEP OUR KIDS AT HOME

Manitoba's Immediate Challenge

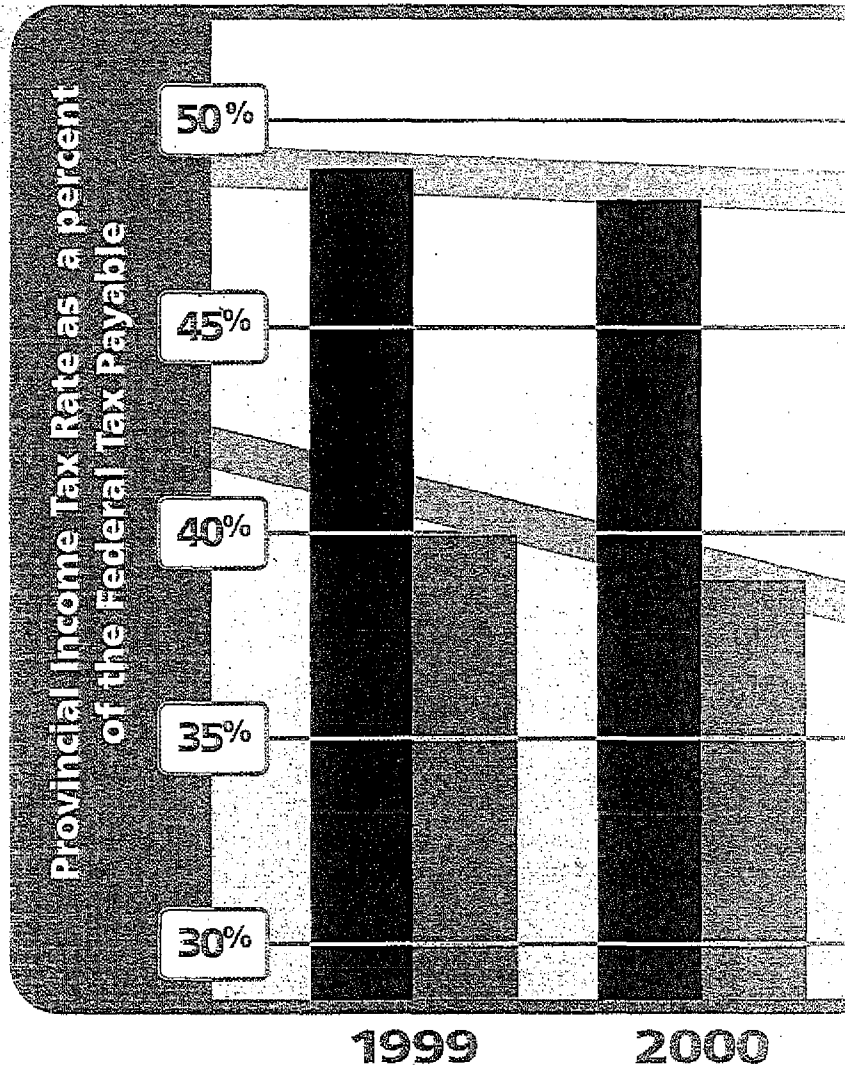
"I don't believe Manitobans should be penalized with higher taxes just because they want to live and work and raise their families in the province they grew up in."

(Gary Filmon)

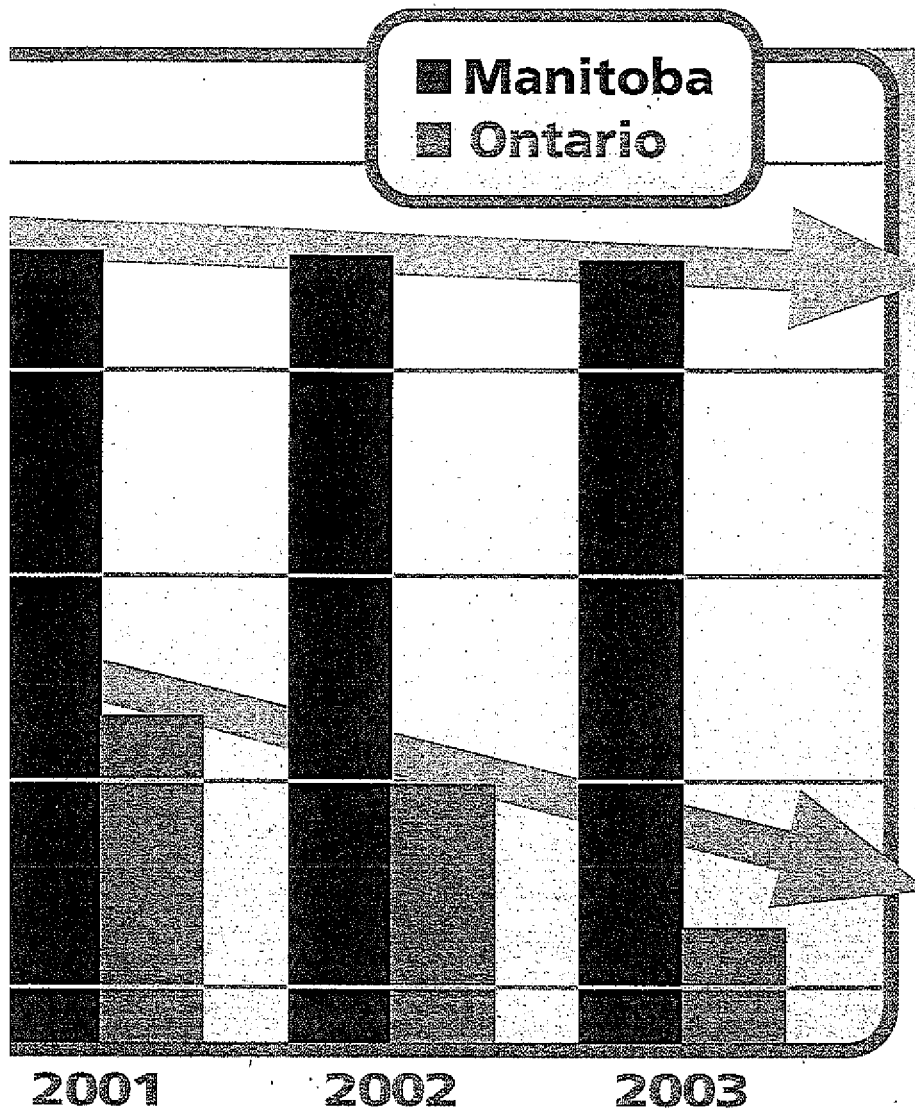
Can we afford Tax Cuts? We can't afford not to!

Inter-provincial and international comparisons make it clear that provincial taxes must come down.

- In June, Ontario voted to have its personal income tax rate decrease to 32%. That means that in four years Manitobans will pay almost 50% more in provincial income taxes if we don't act now.
- Alberta has announced more than \$600 million in tax reductions and with a U.S. election on the horizon, tax cuts are being talked about by both major parties.
- The Conference Board of Canada just released a study (Aug. 16/99) stating that taxes are a major factor in a young professional's decision to move south of the border.
- A recent study from Switzerland says the high taxation levels are one of Canada's most pressing economic concerns.



THE TAX GAP



On Aug. 12/99, a Winnipeg Free Press editorial warned us that

“Manitoba must try to keep its general level of taxation comparable to that of other Canadian provinces.”

WE MUST DO SOMETHING NOW...

TO KEEP OUR KIDS AT HOME

Right now, throughout Manitoba's universities and colleges, a new generation of students are beginning their first year of post secondary education. Unless we do something now, by the time those students graduate they will be paying nearly 50% more provincial income tax a year than their neighbours in Ontario.

How many of our young people, doctors and nurses, specialists, teachers, construction workers and computer technologists will be able to afford to stay in a province where they pay almost 50% more in provincial income taxes?

And what is going to happen to our tax base and funding for Health and Education and other programs if those young people leave?

“We have to close the Tax Gap so our kids don't have to leave Manitoba to follow their dreams.” (Gary Filmon)



Gary Filmon's 50/50 Plan: It's a balanced approach

Over the next five years, our plan will split \$1 billion between increased spending for health, education and other priority programs, and personal income and property and other family related tax cuts. We will pay for our plan by maintaining economic growth and by finding new savings in government spending.

Our 50/50 Plan will provide a \$500 million dollar increase in spending in priority areas and a \$500 million dollar tax cut over the next five years.

By taking revenue growth and savings in government spending and splitting them 50/50, we keep our economy growing and produce the necessary funding to support our priority initiatives. We are not only being balanced in our approach, we're being cautious as well. Should our revenue projections turn out to be higher, or should the federal government fully restore funding for Health Care and post-secondary Education, that funding will go directly to those areas.

■ **50% = \$500 million to Health Care and Education and other priority areas**

These funds will be dedicated to continue further improvements to our Health Care System through such initiatives as:

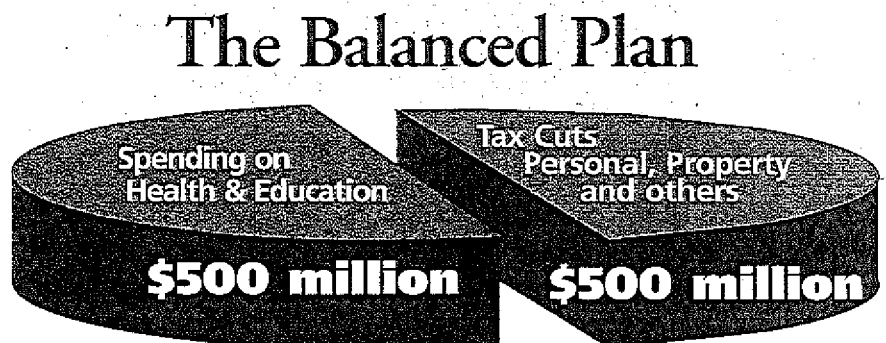
- the agreement with the Manitoba Nurses Union;
- the agreement with the Manitoba Medical Association and other doctors;
- the recruitment of more nurses; and
- reducing waiting lists by increasing the number of procedures and diagnostic tests performed.

Other priority initiatives include:

- continued implementation of the recommendations from the report on Special Needs in Education;
- implementing initiatives to make our neighbourhoods safer, such as Take Back the Streets; and
- implementing new ways of funding post-secondary institutions to make them more responsive to the needs of the workforce.

■ **50% = \$500 million for**

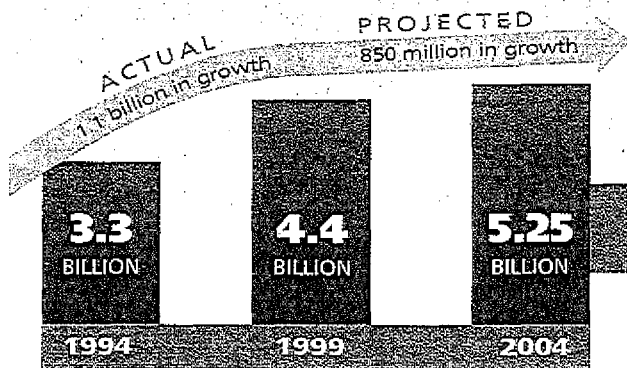
- **Personal Income Tax Cuts**
- **Property Tax Cuts**
- **Tax Break for New Grads**
- **Tax Relief for families with a Stay-at-Home Parent**



IT WILL BE THE **LARGEST TAX CUT** IN MANITOBA HISTORY!

Where will the money come from?

Cautious Estimate of Revenue Growth

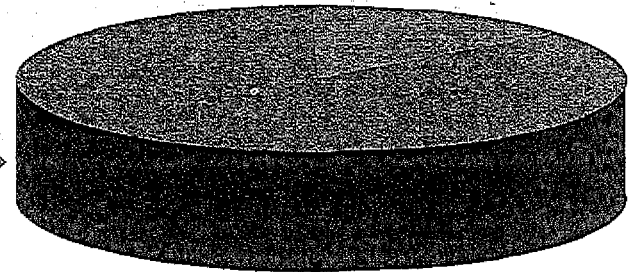


Growth

\$850 million

Savings

\$150 million



ECONOMIC GROWTH

- Our projections of \$850 million in economic growth over the next five years are based on an annual growth of 2.4%, which economic experts are projecting.
- Our prudent estimate of \$850 million for the next five years is far less than the \$1.16 billion already generated in the past five years.
- Over the course of the last five budget years provincial revenue increased by \$1.16 billion (\$3.24 to \$4.40 billion).
- Our projections don't include any additional federal transfers beyond those already committed.
- In the event of a significant economic slowdown or some other pressing need in Health, Education, or as a result of a natural disaster, the province still has nearly \$250 million in its Fiscal Stabilization Fund which is the province's savings account.
- Furthermore, our 50/50 Plan does not include revenue growth coming from the economic growth that will be stimulated by tax cuts.

NEW SAVINGS IN GOVERNMENT SPENDING

- Ending subsidies to business.
- Taking advantage of retirements to reduce the size of the civil service by 10%, without layoffs.
- A zero based budget team will be assembled to examine the way we deliver programming. Comprised of newly elected MLA's their goal will be to find savings within current government programming, with the exception of Health and Education.

We will lead by example, reducing the number of seats in the legislature by 10% before the next election.

"These measures are a practical, balanced way to take our province into the next century on a firm footing. They assure a strong economy, a competitive place to live and do business and continued funding for priority programs. To me that means a brighter future for all Manitobans." (Gary Filmon)

WHAT DOES THE 50/50 PLAN MEAN TO YOU?

You Do The Math!

21% Personal Income Tax Cut

Once the tax cuts in the current budget are fully implemented, Manitoba's basic income tax rate will be 47% of the federal tax payable. The 50/50 Plan includes an additional 21% tax cut for every Manitoba taxpayer. The tax cut will be phased in over three years beginning with a drop to 44.5% of federal tax Jan. 1, 2002; 40% on Jan. 1, 2003, and 37% on January 1, 2004. A two income family with two children earning the Manitoba average of \$61,500 will save \$985 a year!

➡ **\$985 saving for the average Manitoba Family**

Tax Relief for Families With A Stay-At-Home Parent

Under the current tax system, a one income family earning \$40,000 pays \$1,300 more than a two income family earning the same amount. The 50/50 Plan commits \$25 million as a first step in closing the gap between one income and two income families. With about 50,000 two-parent one income families in Manitoba, that is enough money to give an average \$500 tax break per family!

➡ **\$500 average tax break per Family**

25% Tax Break for New Graduates

If you have recently graduated from a 2-year or longer diploma or degree program, you are eligible for the 25% new graduate tax break. For the first four years after you graduate, you will be able to reduce your provincial income tax payable by 25% each year. The new graduate tax break will be effective Jan. 1, 2000, and would include Manitobans who graduated from 1996 to the present. Assuming an average salary of around \$30,000, the average graduate would receive a \$500 tax break.

➡ **\$500 average tax break for New Graduates**

Eliminating the Provincial Education Property Tax

The 50/50 Plan will completely eliminate the provincial education property tax. The average homeowner pays \$300 per year in provincial education property tax. Half of the tax will be cut on Jan. 1, 2001, and the second half removed on Jan. 1, 2002.

➡ **\$300 average break on Property Tax**

A NEW PLAN FOR A NEW CENTURY

"I can't stress it enough; this election isn't just about choosing the next government; it's about charting a new course for a new century."

(Gary Filmon)

For more information contact PC Campaign Headquarters at
942-8283 or 1-800-663-8679 or visit us at www.filmonteam.com