

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 11 May, 1982

Time — 8:00 p.m.

**MR. DEPUTY SPEAKER, Jerry T. Storie (Flin Flon):**  
The Honourable Minister of Finance.

**HON. VIC SCHROEDER (Rossmere):** I move, seconded by the Honourable Attorney-General, that this House approve in general the budgetary policy of the Government.

**MOTION presented.**

## BUDGET ADDRESS

**MR. SCHROEDER:** Mr. Speaker, it is an honour for me to present our new Government's first Budget to the Legislature and to the people of Manitoba.

This Budget has two main goals:

First — to help sustain and strengthen our economy during one of the most difficult periods Manitoba and Canada have faced in decades, to underpin our economic foundations, to make certain we can take early advantage of a national recovery when it takes place.

Second — within our limited resources, to provide as much protection and assistance as we can to relieve Manitobans of the worst effects of national conditions and national policies.

Mr. Speaker, the circumstances underlying this Budget are no secret to the residents of this province. Canada is in the most serious recession this country has experienced in several decades. Last month, more than 1.2 million Canadians were unemployed. Punitive interest rates have all but choked off new investment and are systematically weakening virtually every sector of our economy.

Here, in Manitoba, with only a few exceptions, we have been at or close to the bottom of most economic comparisons for the past several years, and now this year, at a time when we can least afford it, we have been hit the hardest of any province by a series of cutbacks in federal transfer payments which are unprecedented in scale. These circumstances have presented us with hard choices and we have had to make some very hard decisions. We believe they are responsible decisions, the right decisions for the future of Manitoba.

This Budget aims to be fair and balanced, securing needed revenue as equitably as possible, while providing significant added assistance through investment in the future productive potential of the province, and through tax reductions to a large number of Manitobans. This Budget seeks to establish a financial base for a program of needed public investments in the years ahead to enhance our quality of life and help secure our opportunities for economic development in the longer term.

Thousands of Manitobans offered their views and suggestions about this Budget, individually or through their organizations. That consultation proved most helpful. It communicated the widespread feeling that our province and nation are passing through a violent economic storm. My colleagues and I are striving to

help Manitoba weather that storm with minimal damage for the time when clear sailing is possible once more.

From our consultations, it became clear that the people of Manitoba want a government which is prepared to offer co-operative and constructive economic leadership when it is needed, not to control Manitoba's development or to force growth at any cost, but to help marshal creatively the many strengths of our mixed economy in the interests of stable, long-term expansion. They want a government which genuinely cares about people and their needs and places human concerns of justice and equity above all other priorities. That has always been the guiding principle and strength of the New Democratic Party.

In the last half-decade, Manitoba had the dubious distinction of recording the lowest increase in real output of any province, the smallest growth in investment of any province and the worst rate of job creation of any province. The housing sector has come close to a standstill. There has been a net loss in population. And in the last two years, business bankruptcies have led the nation in percentage growth.

Some of the reasons were outlined five years ago in the Budget presented by the Honourable Saul Miller. Unfortunately, his statement was prophetic. He said:

"We are under no illusions about the difficulties our province faces in the years ahead. Much of what we have achieved in the areas of equitable taxation and the expansion of vital public services could be wiped out at the stroke of a pen, or be allowed to wither away under a government which professes to support our programs, but is not really committed to the principles of equity and social justice. And, many of our economic development gains could also be lost through inaction under an administration which believed that even when people's livelihoods are being threatened, the only appropriate role for a provincial government is to grant tax concessions to large corporations, and then to stand aside and do as little as possible, leaving it to so-called market forces to do what they will."

But that is past history.

Of course, a significant portion of our province's economic difficulties can be traced directly to the economic and interest rate policies of the Federal Government and to the severe recession arising from United States economic policies.

As Premier Pawley pointed out at the First Ministers' Conference on the Economy in February, the blunt instruments of neo-conservatism — arbitrary cut-backs and punitive interest rates — have failed disastrously wherever they have been tried and have caused the worst recession in this country in decades, but statistics do not provide an accurate picture of the impact of economic stagnation on individual Manitobans and their families. The hardship and the cost simply cannot be measured. High interest rates have discouraged large and small businesses from making new investment. They have created a vicious cost-price squeeze for farmers. Home ownership has become impossible for a large number of young Manitobans and as a result residential construction has

declined sharply.

Here, and in every other province, the economic situation is a cause of discouragement. I do not believe that the American and Canadian Governments can persist in their present policies for an indefinite period and I hope they will shift soon to a saner course of action.

Manitoba cannot insulate itself from major national and international economic problems, but our government has acted to protect Manitobans from the worst effects of this difficult situation. To help offset economic and financial pressures and to help protect the jobs of Manitobans, we have undertaken the following important initiatives:

Our \$23 million Interest Rate Relief Program is now in place to provide assistance to homeowners, farmers and small business operators.

New job creation programs have been announced to help stimulate employment in the short-run, especially for students this summer.

A new residential rent control program has been introduced.

Minimum wages are being increased to help maintain the standard of living for our lowest paid workers.

Major increases in assistance to municipal governments and school divisions have been provided to ease the property tax burden.

An important increase in Pensioners' School Tax Assistance was announced recently.

The Hydro rate freeze has been continued for a further year. —(Interjection)— I knew they'd like something.

\$17.5 million is being provided for Beef Income Stabilization.

University tuition fees and community college fees have been frozen and student aid has been improved.

Furthermore, Supplementary Estimates that I will be introducing tonight also include:

\$758,000 for the Department of Health to help finance expansion of the Children's Dental Program.

\$4.3 million to cover interest forgiveness for the credit unions and Caisses Populaires and for Canadian Co-operative Implements Limited.

\$2 million for the Department of Education to assist in Special Needs programming for Winnipeg School Division No. 1.

\$100,000 for the Department of Labour and Manpower for the Labour Education Centre.

\$3.4 million for the Department of Highways and Transport to purchase a CL215 water bomber and finance other air service costs.

The Manitoba economy has great potential and with co-operation between a strong private sector and an active public sector, we believe it will be possible to return to a solid and relatively stable growth track and to help ensure the benefits of that growth are distributed fairly.

It is vitally important that Provincial Government stimulus takes place to protect our basic strengths and enhance our ability to take advantage of national economic recovery when it comes.

We are moving ahead with the Federal Government and the City of Winnipeg in core area renewal and we are making every effort to complete a new northern

development agreement with the Government of Canada as soon as possible.

Negotiations are also proceeding actively with the Governments of Alberta and Saskatchewan on the Western Inter-Tie. It is hoped that an agreement will be reached this summer to permit the start-up of the Limestone Generating Station. In addition, we are continuing to pursue new markets to the south of Manitoba.

While the current recession has led to inventory buildups in a number of resource industries and temporarily discouraged new investment, we intend to move forward with negotiations on a number of other major projects such as expansion of the ManFor complex. Also, we are proceeding in discussions with a number of interested companies regarding the long-term feasibility of viable aluminum smelter operations and potash developments in Manitoba.

Health care facilities are being expanded under a stepped-up \$69 million construction program this year while plans are proceeding for additional expenditures totalling \$88 million.

The Critical Home Repair Program has been expanded and revitalized.

About \$5 million will be spent on Law Courts construction during the year, part of a total program of around \$26 million.

Last week, elements of a new \$1 million Forest Renewal Program were announced for the Department of Natural Resources.

Tonight, I am announcing over \$60 million in additional, major economic initiatives, which demonstrate our belief in Manitoba's great future:

First — a \$10 million Special Appropriation for Job Creation in the Supplementary Estimates.

We expect approximately \$4 million of this total will be required to expand the Career Internship and Exploration Program I announced a few weeks ago. Additional amounts will also be dedicated to other programs later in the year. Overall this authority will give us important flexibility in directing job creation funds where they will have maximum benefit for the province's economy.

Second — \$1 million for the Department of Economic Development to provide initial authority to help mobilize venture capital for promising and innovative firms, mainly in the manufacturing and processing sector. This addresses a longstanding concern of Manitoba businesses.

Third — close to \$1 million will be provided for the expansion of work activity programs in the Department of Community Services and Corrections.

I will also table Capital Estimates which include \$50 million for the Manitoba Housing and Renewal Corporation to undertake an important set of new initiatives. Construction priorities will include both rental and owner occupied housing. Further details will be announced by the Minister responsible for the Housing and Renewal Corporation.

The initiatives I have described are only part of a substantially-expanded public sector capital expenditure program for the 1982/83 fiscal year.

In total, we estimate that the combined capital expenditures of Government Departments and Crown Corporations will exceed \$700 million. This is by far

the single, largest contribution to Manitoba's development, a contribution that improves the quality of life, the economic structure and ultimately the productive capacity of this province.

Mr. Speaker I am pleased to say that this is an increase of about \$200 million or 40 percent, a vital investment in the future of Manitoba, much of it stimulating the new employment and helping in an important way to protect existing jobs.

The Capital Estimates also include:

- \$106.8 million for Manitoba Hydro to help finance a total capital program estimated at about \$141 million.

- \$44 million for the Agricultural Credit Corporation to supplement the \$26 million authority already included in the preliminary Loan Act.

- \$12 million for Manitoba Forestry Resources Limited, and

- \$25 million for assistance to the Credit Union Stabilization Fund and \$4.5 million to the Caisses Populaires.

Mr. Speaker, while most forecasters are revising their 1982 economic predictions downward and surrounding them with more and more caveats, the majority are still projecting at least a limited recovery for the Canadian economy in 1983. Obviously, we hope they are right, and that another surge of interest rate pressure from the United States will not halt the recovery in its tracks.

In the meantime — as I said earlier — we have a clear responsibility to provide sustaining support for our own economy to ensure that when national conditions improve, we in Manitoba will be in a position to move forward strongly.

Mr. Speaker, in its Budget last year, the former government projected that its deficit at the end of the 1981/82 fiscal year would be approximately \$219.8 million. When it left office in November, it estimated that the deficit was likely to rise to about \$252.8 million.

As members will recall, the financial statement for the third quarter forecast the year-end deficit at approximately \$264.3 million. We expect an unaudited year-end statement to be completed and published in June, but "preliminary final" information received just recently indicates that actual expenditures for the year totalled about \$2.432 billion, or \$51 million above the Main and Supplementary Estimates, while revenues totalled around \$2.180 billion or \$19 million more than the "print." This left a year-end deficit of about \$252 million.

Of course, without the \$25 million one-time Special Municipal Loan Fund adjustment we have discussed in the House before, last year's real deficit was \$277 million. Sluggish revenue growth resulting from a sluggish economy was a major cause of the 1981 deficit. The same trend was evident in preliminary 1982-83 forecasts.

Then we received the details of Mr. MacEachen's plan to cut back federal transfer payments. Members are already familiar with the numbers. They have not changed appreciably since my statement to the House of March 22nd, a copy of which will be appended to my address.

While federal transitional adjustments have helped reduce the impact of the cuts primarily in 1982-83, we continue to face by far the largest reductions of any province on a per capita basis over the next five years — a gross loss before so-called tax offsets of \$828 million and a net loss, after taking those offsets into account, of \$719 million or about \$2,800 for a family of four. Much of that loss, of course, is attributable to a major change in the equalization formula, a change which is patently unfair to Manitoba and inconsistent with the equalization principle which is now a part of our Constitution.

The revenue Estimates will help show the severity of the cutbacks. In last year's Estimates, federal transfers were expected to account for 40.7 percent of total revenues. This year, the percentage is 36.3 percent — the lowest since 1974-75.

I should say here that my colleagues and I very much appreciated the strong bipartisan support in our province's efforts to reverse the cutbacks received from Manitoba MPs in the New Democratic and Progressive Conservative Parties.

We have not given up our attempt to seek a fair deal for Manitoba and Manitoba taxpayers from the Federal Government. We believe there are further options which can be explored to increase transitional assistance to our province and we intend to pursue those options. At the same time though, we remain concerned about the prospect of further cutbacks in other areas — particularly reductions in federal financial support for provincial post-secondary education expenditures starting in the 1983-84 fiscal year. If the federal cutbacks were for one year only, if we felt they would be restored in future years, we could perhaps accept the revenue loss without some compensating adjustment.

Clearly, however, we aren't looking at a short-term situation. We are facing a permanent, ongoing cutback by the Federal Government and, in our view, it is essential that we make up most if not all of the lost revenue.

Members should know the guidelines we followed in evaluating the options open to us:

First and foremost, we felt the measures must be fair. Our Government is firmly committed to the principle of ability to pay in taxation.

Secondly, we recognized that any new measures must fit within a tax structure which is reasonably comparable with that of other provinces. That is an important corollary to the equity principle and it is important to our competitive position as well.

Thirdly, we sought measures which would have minimal negative effect on our economy. There is no doubt that added taxes represent added costs for some individuals and groups of taxpayers, but it is also true that offsets are possible and that the rechanneling of the revenues will have a positive economic impact.

Following is a summary of the changes we now propose. There are four main areas where taxes will be increased and four where they will be reduced.

For a number of years, Manitoba's retail sales tax rate has been among the lowest in Canada. For that reason, there has been much speculation that our Government would raise the sales tax rate to 7 per-

cent as in Ontario or 8 percent as in Quebec and New Brunswick. The rates in Nova Scotia and Prince Edward Island are 10 percent and Newfoundland applies an 11 percent sales tax.

A sales tax increase was considered. Clearly, it would provide substantial additional revenues. However, its impact tends to be somewhat regressive and unfair to most Manitobans. An increase would hit hardest at those living on low and fixed incomes such as pensioners.

Furthermore, the Government is concerned about the economic impact of a sales tax increase on the current state of the provincial economy. Similar concerns have been expressed by organizations such as the Manitoba Chamber of Commerce, the Manitoba Federation of Labour, and there have also been indications of potential problems in border communities. The Canadian Manufacturers' Association has expressed concern too about the impact of an increase in the sales tax on production machinery and similar concerns exist with regard to building materials.

We naturally wanted to explore alternatives to the sales tax. We were particularly interested in alternative mechanisms for financing health care and post-secondary education since those two services receive the largest share of our Budget and are most directly affected by federal cutbacks.

Of course, perhaps the most familiar approach to health financing is the premium system which is still used in Ontario, Alberta and British Columbia. But the — (Interjection) — We certainly did not. The reimposition of premiums in this province is a deterrent that this Government would never countenance.

The Province of Quebec, too, rejected the premium approach but for many years has financed its health care programs through a system of employer contributions based on a percentage of the total compensation the employer pays. Currently, the Quebec health contribution rate is 3 percent. We propose to introduce a similar levy for health and post-secondary education in Manitoba, but at half the Quebec rate — that is 1.5 percent.

The new levy for Health and Education will take effect on July 1st for all employers except municipal governments and school divisions whose budgets are already set for the year. Those employers will also be expected to pay the levy beginning January 1, 1983, but their payments will be offset by improved direct support to be announced in due course.

For those employers subject to income taxation, a positive feature of the new levy will be its deductibility in calculating federal and provincial income tax liabilities. This means, in effect, that a significant part of the impact of the levy will be borne by the Federal Treasury. Indeed, for large corporations, about 53 percent of the levy will be directly offset by reduced federal and provincial income tax liabilities.

Later, I will table a background paper with further details on the levy for health and post-secondary education. It will demonstrate clearly that this measure is a significantly better choice for Manitoba than a sales tax increase at this time in terms of both equity and economic impact. We believe that it is faithful to Manitobans' desire for the cost of public services to be shared fairly by every sector of the economy. The effects are spread widely, yet those on fixed incomes

will not be affected.

This levy is expected to yield some \$70 million in 1982-83 and \$110 million in a full 12 months.

In line with the principle of ability-to-pay, we also propose a special surtax on Manitobans with higher incomes.

This surtax will apply on taxable income in excess of \$25,000, equivalent to a gross income level for a family of four of above \$34,000 and probably closer to \$37,000 or more, when average pension and other deductions are assumed. In no case will the surtax exceed 3.7 percent of taxable income. Our estimates indicate that only about 10 percent of Manitoba tax filers will be affected by this measure. It is important to note that because of federal marginal rate reductions and indexing, total 1982 income tax liabilities with the surtax included will still be lower than those in 1981 at all income levels.

It is also worth noting that the reduction in the top marginal rates, combined with indexing, will reduce Manitoba's potential revenues by about \$54 million in 1982-83. In contrast, the surtax is expected to yield approximately \$16.2 million in additional revenues in the current fiscal year, leaving Manitobans with a net reduction in their provincial income taxes when these three measures are considered together of close to \$40 million.

Members will be aware that in its Budget earlier this year, the Province of British Columbia applied a special tax on the chartered banks to ensure that those institutions which have profited significantly from the Federal Government's high interest rate policy are paying a fairer share of the costs of various relief programs and general public services. Effective July 1st, our province will join B.C. in applying a special 2 percent tax on banks under the corporation capital tax.

At present, five provinces levy 3 percent taxes on premium revenue from insurance companies' sales of policies other than life or sickness and accident insurance. We will join these provinces by raising the Manitoba rate from 2 percent to 3 percent effective for the 1982 taxation year. This measure will yield about \$2.8 million in added revenues this year.

Most provinces have traditionally taxed diesel fuel at significantly higher rates than gasoline for reasons of energy content, and Manitoba also applied a differential for many years. However, when the ad valorem tax was introduced in 1980, the difference was removed. Effective June 1st, we intend to restore the previous differential by setting the rate of tax on motive fuel at 15 percent more than the rate on gasoline. In total, this measure is expected to yield approximately \$6.5 million in added revenue this year.

Effective midnight, May 30th, the Manitoba tobacco tax rate will be increased by 0.4 of a cent per cigarette to 1.8 cents per cigarette or by 10 cents per pack of 25. This measure will provide additional revenues of approximately \$7.5 million this year. We will also direct the Manitoba Liquor Control Commission to adjust its markups in such a way as to ensure that an additional \$20 million over and above normal revenue growth will be available for the Consolidated Fund of the province.

Mr. Speaker, in the face of federal cutbacks, these adjustments are essential to the fiscal integrity of

Manitoba. However, if the Federal Government were to change its policy and to restore the cuts, we would certainly reassess the need for these measures.

In the coming year, we will also be reviewing the Property and Cost of Living Tax Credit Programs to evaluate the impact of the significant changes made by the former government. Improvements in these programs can be expected to follow that review.

During our assessment of various taxation options, we also looked at a number of "tax expenditures" — that is, the sometimes-overlooked revenue effects of tax exemptions and other provisions which currently apply. A growing number of jurisdictions, including the Federal Government, are now publishing estimates of tax expenditures on a regular basis and we may start doing so as well, in recognition of the fact that these measures should also be subject to normal review, alongside more "visible" budgetary items.

I said earlier that our government will also propose a number of tax reductions and related assistance, measures both for individual Manitoba consumers and for our all-important small business sector.

Firstly, the corporation capital tax exemption for small business will be raised by one-third from \$750,000 to \$1 million. This is expected to eliminate tax liabilities for some 300 Manitoba businesses. There is an approximate revenue reduction of \$400,000.00.

Secondly, vendors' commissions under The Retail Sales Tax Act will be increased to provide about \$1 million a year in additional assistance that will be of major benefit to smaller retailers.

Finally, effective for the 1982 taxation year, we propose to reduce the Manitoba income tax rate on small business from 11 percent to 10 percent of taxable income — currently the same as in our two neighbouring provinces. This measure will reduce revenues by about \$3.5 million in the current year.

Overall, Mr. Speaker, these measures, along with the new venture capital authority I announced earlier, should be of significant benefit to a great many small businesses in this province.

I have already made it clear that we decided not to increase the 5 percent sales tax rate. In fact, I am pleased to announce that we intend to implement a series of sales tax reductions effective at midnight, tonight.

First, the exemption for energy conservation products will be expanded to include insulated and loading dock door seals.

Secondly, existing exemptions for fire trucks and related equipment will be extended to all purchasers.

Thirdly, the provisions related to refunds on vehicle transactions will be revised to provide further assistance to car buyers.

Finally, the exemption for restaurant meals will be raised not by 25 percent, as was suggested in the resolution recently put forward by the Member for Sturgeon Creek, but by 50 percent, from \$4.00 to \$6.00.

In total, it is estimated that these reductions will lower retail sales tax revenue by some \$1.2 million in the current year and approximately \$1.6 million in a full twelve month year.

I am also pleased to announce that legislation will shortly be introduced to fulfill yet another of our

Government's election commitments — to remove provincial capital gains tax on sales of family farms. The program will be effective for the 1982 taxation year and will apply up to a maximum gain of \$200,000.00. I would assume the Tories would only be worried about those with more than that. In total it is expected that this measure will reduce income tax revenues by somewhat less than \$1 million annually.

The price of gasoline increased by about one-third since early 1981 and this has caused particular problems for northern, rural and suburban Manitobans who must drive longer distances.

I wish to announce that effective immediately the gasoline tax rate will be frozen at its current level until the end of this fiscal year. The new diesel fuel rates I announced earlier will also be fixed for the same period. As a result of the rate freeze, we estimate that Manitoba taxpayers will save about \$6 million on gas tax and \$2.5 million on motive fuel tax which would otherwise be payable in the current year.

In total, these tax adjustments — the increases and reductions — are expected to result in a net addition to revenue of about \$113.1 million in the 1982/83 fiscal year.

While some Manitobans will pay more taxes — (Interjection) — I think that was the problem the Tories had, they didn't know they were in an election last year. — (Interjection) — Vicarious pleasure again. While some Manitobans will pay more taxes, a great many will also pay less in a variety of ways, while the overall economy will benefit from a tax structure which is balanced and fair, and supportive of our province's economic development needs.

With the Supplementary Estimates, total provincial budgetary expenditures for the 1982/83 fiscal year are now forecast at approximately \$2.830 billion. This represents an increase of about 16.4 percent over the preliminary actual total for 1981/82.

Again to place this percentage in perspective, it is worth noting, as I did in tabling the Main Estimates, that the 1981/82 revised figure was, in fact, more than 18 percent higher than the actual total in 1980/81.

On the revenue side and with the additional funds resulting from the measures I have announced tonight, we now expect the revenues for the province for the 1982/83 fiscal year to total about \$2.495 billion, approximately \$334.5 million less than estimated expenditures.

This deficit total is closely comparable with last year's, both in terms of its size relative to total expenditures, and in terms of the shares of the current and capital components. At \$251 million, budgetary capital expenditures represent about 75 percent of the deficit.

At the time I introduced the Main Estimates, I also tabled a set of Special Capital Estimates to provide immediate authority for the loan portion of the Emergency Interest Rate Relief Program and for other urgent requirements. That authority totalled \$37.8 million.

This evening, as I indicated earlier, I will table additional Capital Estimates — in this case the "main" Capital Estimates — totalling \$304.4 million.

We now estimate that our total borrowing requirements for 1982/83, including budgetary requirements and the so-called "non-budgetary" capital require-

ments I have outlined, will total about \$900 million.

The Canada Pension Plan and various Federal Government sources should cover approximately \$150 million of this total. The public bond markets will be the source of the remaining requirements. In this connection, we of course regret Alberta's inability to continue its Heritage Fund loans to the other provinces. It appears even that province has not been spared financial problems.

Manitoba has no Heritage Fund, but we do have a substantial heritage and real wealth in the imaginative and far-sighted public investments undertaken primarily by the governments of Premiers Campbell, Roblin and Schreyer. Our telephone system, our schools and universities, our health facilities, the Winnipeg Floodway, our trunk highways and other provincial roads to markets, Autopac, rural electrification and, of course, our entire hydro-electric system, have been and will continue to be of almost incalculable importance to the productive capability of this province. If we were to add up the value of these assets, it seems certain they would be found to be worth a great deal more than any formal "Heritage Fund," using almost any reasonable assumptions. Most important, they assure our own economy permanent and growing strength in terms of both physical and human capital.

Mr. Speaker, our government's Budget and Estimates for the 1982/83 fiscal year reflect the difficult situation we found on taking office and the hard choices we have had to make in order to deal with those problems as best we can.

On November 17th, the people of Manitoba made it very clear that:

- They wanted a Provincial Government that would undertake a responsible economic program of benefit to all Manitobans.

- They wanted to continue enjoying the quality of life that makes Manitoba such a good place to live and work, and

- They wanted the province to help Manitobans through this period of high interest rates, high prices and increased unemployment.

This mandate helped to guide our government in making the choices I outlined tonight.

They minimize the added burden on individual taxpayers, while preserving essential services and ensuring that we have the resources and the flexibility to provide economic leadership.

I, personally, am proud of this Budget, and of being a part of a Government which has had the courage to meet its responsibilities and the human concern to ensure that its decisions are fair and just.

Thank you, Mr. Speaker.

**MR. DEPUTY SPEAKER:** The Honourable Leader of the Opposition. Order please.

**HON. STERLING LYON (Charleswood):** Mr. Speaker, I beg to move, seconded by the Honourable Member for Fort Garry, that debate be adjourned.

**MOTION presented and carried.**

## MESSAGES

**MR. DEPUTY SPEAKER:** The Honourable Minister

of Finance.

**MR. SCHROEDER:** Mr. Speaker, I have two messages from Her Honour, the Lieutenant-Governor.

**MR. DEPUTY SPEAKER:** The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba, Estimates of sums required for the service of the province for the Capital Expenditures and recommends these Estimates to the Legislative Assembly.

The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba, Estimates of further sums required for the services of the province for the fiscal year ending the 31st day of March, 1983 and recommends these Estimates to the Legislative Assembly.

The Honourable Minister of Finance.

**MR. SCHROEDER:** Mr. Speaker, I move, seconded by the Honourable Attorney-General, that the said messages, together with the Estimates accompanying the same, be referred to the Committee of Supply.

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** The Honourable Government House Leader.

**HON. ROLAND PENNER (Fort Rouge):** Mr. Speaker, I move, seconded by the Minister of Finance, that this House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. tomorrow. (Wednesday)