

# Canada Weekly

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## Government defeated — general election called for February

Prime Minister Joe Clark's minority Government was brought down on December 13, beaten by 139 votes to 133 on a New Democratic Party non-confidence motion that condemned the budget that was presented to the House of Commons two days earlier by Finance Minister John Crosbie.

The Progressive Conservative Government — Canada's first in 16 years — had been in office since May 22.

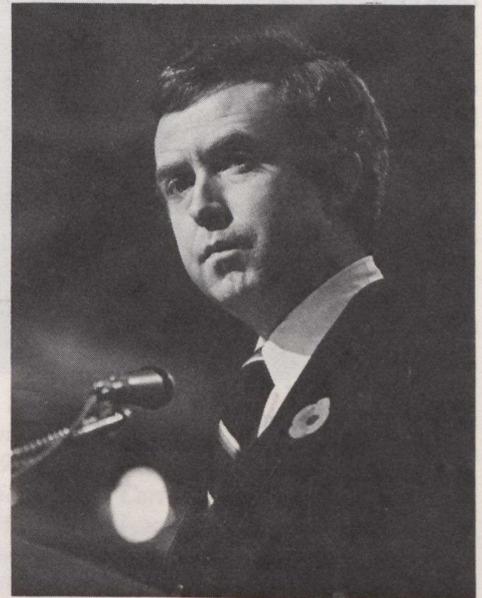
Mr. Clark, who called on Governor-General Edward Schreyer early on December 14 to ask for dissolution of Parliament, announced the date of a general federal election as February 18.

The NDP motion, which was supported by the Liberals, condemned the Government for "outright betrayal of its election promises to lower interest rates, cut taxes and to stimulate the growth of the Canadian economy without a mandate from the Canadian people for such a reversal". The five-member Social Credit party abstained from voting.

Mr. Crosbie's budget projected four years of Government revenues and spending. A fundamental objective was to achieve a reduction in the federal deficit. He said that, by means of higher taxes and severe spending restraint, the Government's cash requirements would be cut in half from almost \$10 billion to less than \$5 billion by 1983-84.

The budget levied an excise tax of 25 cents a gallon on transportation fuel, meaning an immediate increase of 18 cents a gallon of gas for motorists. Taxes on liquor, wine and beer would have added 11 cents to a 25-ounce bottle of wine and a tobacco levy would have increased the price of cigarettes.

The domestic wellhead price of oil and natural gas would have been increased from now to 1984 to reach a ceiling of 85 per cent of the lesser of the United States "Chicago" price or the international price by that date. Increases would have totalled \$4 a barrel in 1980 and \$4.50 in following years. The Government hoped



*Following his Government's downfall December 13, Prime Minister Clark (above) called on the Governor General the next day to dissolve Parliament. February 18 was set as the date of the general federal election.*

to levy a new energy tax so that it could receive roughly half of the oil and gas price increases exceeding \$2 a barrel a year and 30 cents a thousand cubic feet.

Mr. Clark said that the Government's aim was to make Canada self-sufficient in energy by 1990. He added that the budget offered "significant new tax benefits to lower- and middle-income Canadians, to working spouses, to farmers, to fishermen, to small business, and to the less-developed regions of our country". The Government's program to provide mortgage interest and property tax relief to home-owners and potential home-owners could not now be legislated, said Mr. Clark.

### Liberal leader stays

Former Prime Minister Pierre Trudeau, who had announced his resignation from the leadership of the Liberal party on November 21 (see *Canada Weekly* dated

*Seventy-two years ago today...*

The Royal Mint in London established a branch in Ottawa to back Canadian gold coins minted as a result of the Yukon gold rush.