

## Tories will vote against tax cuts

# On budget eve all signs point to spring election

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OTTAWA — Opposition Leader Stanfield's clearly enunciated threat last weekend to vote against tax cuts for manufacturing and processing industries, held over from the 1972 budget, has convinced many members of his own party that a spring election is inevitable.

Until a few days ago, the minority government's chances of surviving votes on its Monday budget and budget legislation were based on the assumption that the Conservatives would vote for the industrial incentives measure, the one item of budget legislation that the New Democratic Party could not possibly support.

This assumption was related to a statement made by Stanfield at a press conference in Ottawa the day after the Oct. 30 election. The close result made it conceivable, at that time, that the Conservative leader was on the verge of becoming prime minister. It was in this context that he was asked about the budget legislation introduced by Finance Minister Turner last spring but left on the order paper when the government decided to go to the country.

### Assumption blasted

Stanfield replied that, as prime minister, he "probably would have to proceed" with the corporate tax cuts because they already were a factor in decisions currently being made by businessmen.

The assumption that this meant Conservative support for this part of the budget broke down completely

last weekend. At a press conference in Toronto Stanfield not only refused to commit himself on this but pointedly reminded journalists that his party had voted against the Liberal budget last spring that originally contained the tax incentives for industry.

The same message was being transmitted by Conservatives in Ottawa. They tended to discount the Oct. 31 statement and refer instead to Stanfield's speech in the House last May 15 in reply to the budget.

The Conservative leader said then that the corporate tax reduction "falls far short of being an effective tool to expand Canadian manufacturing and processing."

"I just remind you," said Stanfield last weekend, "that last May, when this matter was brought forward in the budget, we voted against the budget although it contained some quite attractive items such as increases in old age pensions."

### No change

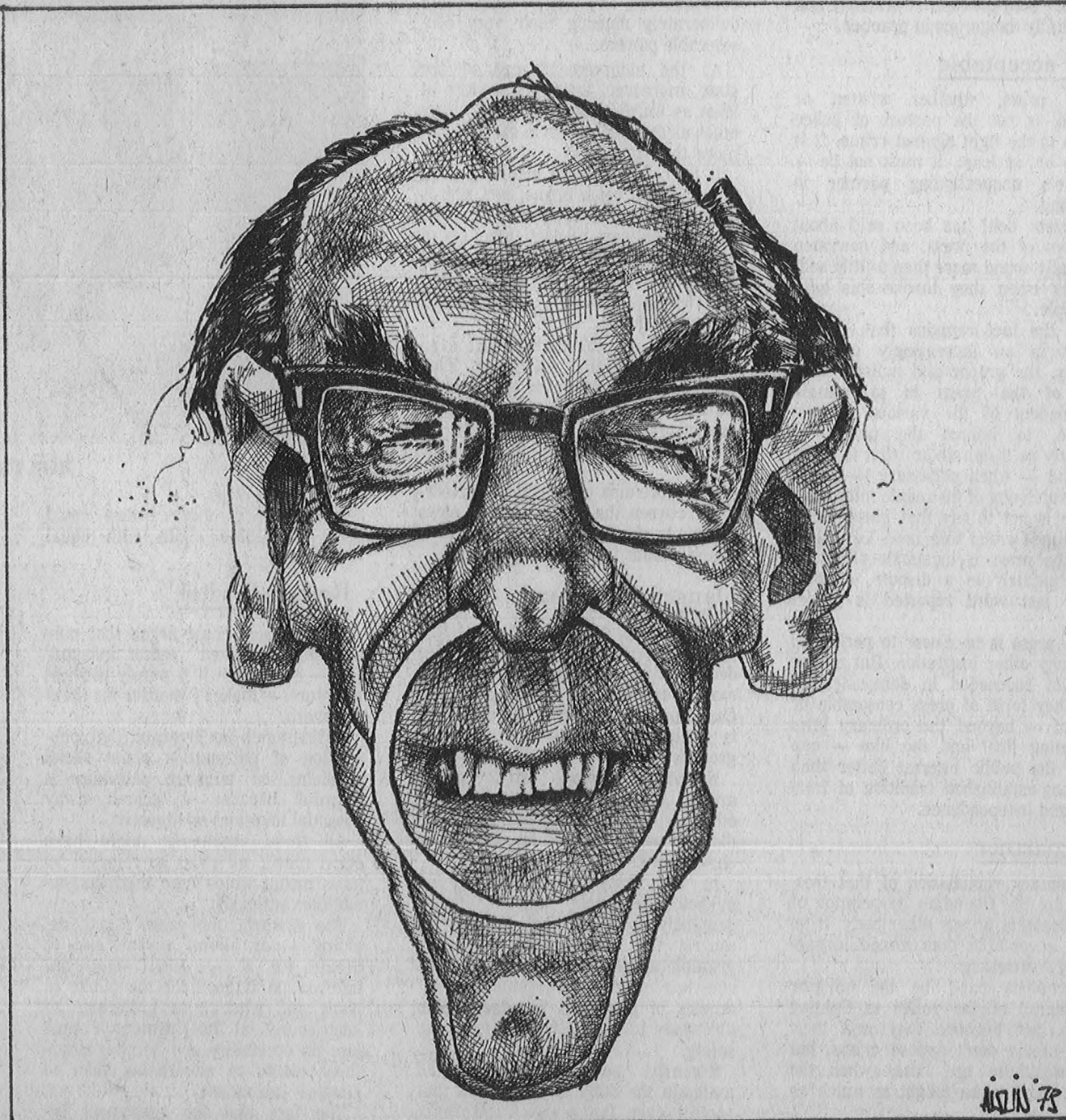
Discussing the situation after the press conference, Stanfield said that there had been no shift in his position since Oct. 31 but that circumstances had changed.

The parliamentary opposition, he said, was under no obligation to help enact government legislation. He also indicated that he was prepared to live with any adverse reaction from industry if the tax incentives failed to get through the House.

The Liberals, in fact, believe that Stanfield already has sounded out the business world.

They claim that he has received tacit approval of his position on the understanding that a Conservative government would not proceed with certain other items of Liberal legislation that have been opposed by corporations.

At the end of last week, when a



member of the Conservative shadow cabinet was asked about the vote on tax incentives, he said: "Don't count on anything."

Then he added: "One way or the other, it looks like a spring election. Either we're going to bring it about by defeating the government on the

budget, or the government is going to call it as soon as the budget is passed."

This possibility in itself may be

enough to ensure defeat on the budget.

### Won't wait

If the NDP starts to regard a spring election as inevitable, it certainly won't want to wait for the Liberals to spring the trap.

For the NDP, this would represent the worst possible start for an election campaign. It wants to go into the campaign with the Liberals in the position of having been milked dry and ignominiously discarded.

Another aspect of the gung-ho election mood of the Conservatives, much in evidence at the Ontario party's annual meeting in Toronto last weekend, is the growing assumption that a defeat on the budget will mean an election rather than a minority Conservative government.

Speculation about the governor-general's quandary in the event of a premature election request from the prime minister has rapidly faded into the background in the past few days. It has been replaced by discussion of recent public opinion polls which indicate that a majority of Canadians now favor another election.

### Trudeau hint

The prime minister hinted at his own position in a recent interview with William C. Heine, Editor of the London Free Press.

Outlining the legislative stages that a government would have to go through before asking the Governor-General for dissolution and an election, Trudeau listed the following: "... a vote of confidence on the Speech from the Throne, which we've had ... a chance to put some legislation before the House, which we've done ... I suppose it would be right to put a budget before the House, which we will do ..."

The current mood of the Conservatives is a further indication that the next government will be chosen by the voters rather than the Governor-General, and that the day of decision could well occur this spring.