

# New Gasoline Tax Is Effective Today, Queen's Park Says

**Six Cents Per Gallon Is Charge Levied on Consumer, Starting at Midnight Thursday—Comes Automatically in Force at Service Stations**

## NO PRICE DECREASE, OIL OFFICIAL SAYS

At midnight last night, as an Easter gift from the Government to the people of Ontario, the new gasoline tax came into effect, so that those who are going away in their cars for the holiday will pay six cents tax on every gallon of gas they buy, instead of five cents, as heretofore.

Asked by The Globe at the Legislature last night whether the act would go into effect when Royal assent was given or at some other time, Hon. Leopold Macaulay, Minister of Highways, succinctly replied: "At midnight tonight."

The purpose of the new act, "to amend the gasoline tax," is avowedly "for a fair contribution by the users of roads in Ontario toward the cost of construction and maintenance thereof." Every purchaser of gas, the act has it, "shall pay to the Minister for the use of his Majesty in the Province of Ontario a charge or tax at the rate of six cents a gallon on all gasoline purchased, or delivery of which is received by him."

Farmers, fishermen and municipally operated vehicles are exempt from the levy.

The new increase in the tax was announced under the recent Budget of Hon. Edward A. Dunlop, Provincial Treasurer.

When the amendment to the Gas Tax Act, providing for an increase of one cent per gallon on the present impost of five cents per gallon, was going through committee, Mr. Hipel, seconded by Mr. Nixon, tried to introduce a further amendment providing that all collections from this channel of revenue be set aside for construction of roads and highways debt retirement. The covering motion was decisively defeated, however.

Hon. Leopold Macaulay, Highways Minister, informed the House that the old rate of 2 per cent, which the Government allowed the oil companies for collecting the gas tax had been reduced this year to 1.6 per cent.

The gasoline tax was first imposed in 1925, with the tax on the gallon at three cents. Three years later it was raised to five cents, and now to six cents. The year after the imposition of the gasoline tax the automobile license fee was reduced, with a further reduction three years later, but in December of last year the fee was raised on an average of \$3 a car.

Asked as to the possibility of the companies absorbing the added tax by the reduction of gasoline by a cent per gallon, The Globe's informant replied: "If there has been a reduction in the Province of Quebec, that action had no relation to the tax situation. It should be remembered that Mr. Victor Ross, in his evidence recently before the Banking and Commerce Committee in the gasoline inquiry before the committee at Ottawa, indicated that his company made 1.01 cents per gallon on their product. Obviously there would be no reason to expect any reduction there."

# Nixon Divides House On Corporation Tax As Midnight Tolls

**Seeks to Refer Amendments Back to Committee and Asks Delay of Clause's Effective Date—Lost, 54-18**

## GAS TAX SOUGHT FOR HIGHWAYS

Progressive Leader Harry C. Nixon plunged the Ontario Legislature into its second division yesterday when at three minutes of midnight he moved, seconded by D. J. Taylor (North Grey) that the contentious Corporations Tax Act amendments, which will bring some \$2,000,000 in additional revenue to the Government annually, be referred back to committee from third-reading stage and that a new clause be inserted stipulating that the act should come into operation only on proclamation, and then not until a general election had been held.

The Speaker attempted to announce the vote on the "yeas" and "nays," but Mr. Nixon called for a division, which resulted in the third reading of the bill being given on a recorded vote of 54-18, the Assembly polling on straight party lines.

On the same division the House also turned down a move by Norman O. Hipel (Liberal, South Waterloo) to refer the gas tax act back to committee so as to further amend it to the extent of requiring all revenues from the tax to be used for road-building and highways debt retirement. An attempt by T. H. Blakelock (Liberal, Halton), to secure a six months' hoist of the Amusements Tax Act amendments was also "killed" on the 54-18 division.