

# Gas-Tax Increase Is Given Approval As Deadline Nears

Contentious Measure Passed Through All Stages in Legislature After Being Blocked Many Hours by Spirited Opposition; Royal Assent Is Granted Only 43 Minutes From Midnight

DIVISION ON SECOND READING 43 TO 21

(Picture on Page 4.)

Premier Hepburn's two-cent-gas-tax-increase bill was given Royal assent in the Legislature at 11:17 last night, just forty-three minutes ahead of the crucial midnight deadline at which the new rate had been planned to go into effect.

The preceding complementary resolution passed the House on a standing vote at 10:35. Second reading of the bill, itself, carried on division of 43-21 at 10:45. Committee-stage approval was immediately granted on the same registered vote and third reading automatically followed. Twenty-five minutes later Lieutenant-Governor Albert Matthews, standing by for the occasion, gave the formal binding endorsement which indirectly compels all Ontario car owners to pay eight cents tax a gallon for gasoline today where they paid only six cents yesterday.

The smooth-sailing enjoyed by the actual bill contrasted sharply with the reception accorded the resolution, which was under fire for so long from the Opposition, led by Col. George A. Drew, that for a time it appeared as though enactment of the tax rise might be delayed until after midnight and the Prime Minister might be forced to issue a last-moment countermand of original orders to all agencies collecting the tax under Government agreement.

## McQuesten Challenged.

The Opposition confined its argument at second reading of the measure to a blunt challenge from Colonel Drew to Hon. T. B. McQuesten to state frankly his position on the issue, and when Mr. McQuesten refused to rise to the bait Colonel Drew reminded the House that not very long ago the Highways Minister had told the Good Roads Association that he was opposed to any gas tax rise, on the ground, particularly, that it would seriously injure tourist traffic business.

The Opposition's second in command, Leopold Macaulay, also took a parting dig at the treasury benchers when he contrasted Mr. McQuesten's estimated \$4,000,000 in revenue from the extra two cents tax with Mr. Hepburn's earlier estimate of \$6,500,000.

"Somebody apparently has got his signals crossed," he giped. "You two fellows better get together."

There was obvious relief in the treasury benches when the hectic day closed. The Opposition protest was the first stiff challenge to Government domination offered by them to date this year, and the fact that only forty-three of the Government's sixty-six supporters could be mustered for the division is alleged to have not improved the temper of the administration much.

## Cabinet Watches Clock.

Hammered throughout afternoon and evening in a great variety of speeches, Premier Hepburn and his

Cabinet sat silent through the last couple of hours of argument, watching the great gallery clock anxiously and hoping for the best. Starting shortly after 3 o'clock, the Opposition—with Colonel Drew, Mr. Macaulay and former Premier Henry leading the attack—expanded their protest to the point where the Prime Minister abandoned his expressed intention to apply virtual closure at 5 o'clock and allowed the Conservatives to swing into the first night sitting of the session.

The Prime Minister charged the Conservatives with a deliberate "filibuster"—a charge which the Tories emphatically denied. The Conservatives charged the Premier with endeavoring to shut off unrestricted speech on the first important issue so far before the present House. Bitter taunts flew with abandon cross-chamber both afternoon and evening, with Mr. Hepburn unswerving in his determination to see the bill's passage through without any adjournment—no matter how long the House might have to sit, and warning that not only would the Tories be responsible for any loss of revenue from delayed imposition of the planned tax increase, but that the municipalities would have to share with the government in that loss.

"That is a most regrettable statement for the Premier to make," Colonel Drew promptly challenged, "and one which misrepresents the situation entirely. He brings this very important legislation into this House without the customary required notice—and probably without any of his own supporters knowing anything about it—and then he charges us with filibustering simply because we consider it sufficiently important to give it some honest consideration. Apparently, anything is a filibuster unless it is the abject submission which the Premier demands and gets from his followers. We try to co-operate where co-operation is proper and fit, but when we so much as object to the high-handed tactics of this Lord High Executioner he says we are filibustering, and that the people of the province will have to suffer for it."

## Macaulay Raps Premier.

After the supper recess there were signs of tiring in the opposition ranks. But the afternoon had certainly made up in spirited fight for what the shades of evening lacked in that respect. Mr. Macaulay, swinging right and left, accused the Premier of acting like some Prussian war officer in "dictatorial stand." He blamed the "sour" expression of the Premier on the budget of Thursday, and the noticeable lack of any "sunshine" in it.

"What you tell us here this afternoon," he said, "is this: If you don't sign on the dotted line, you will take your resentment out on the people's hides—on the very people for whom you profess such concern."

Some Liberal back-bencher tried to stick in a remark, but Mr. Macaulay waved him down. "Be still," he said. "I have only five minutes—the Premier is trying to rule—in which to make my speech, and I'm going to use that five minutes, Mr. Chairman, without any interruptions."

"I'll give you five minutes more," said the Premier.

"I don't need it," Mr. Macaulay hurled back.

Before the fast and furious afternoon ended Colonel Drew had labelled the Premier a "Robin Hood" who had broken his promises to the electors on gasoline tax policy as readily as he had broken his promises in regard to the Canada Temperance Act, the C.I.O. unions and the once-obnoxious importation of Quebec power into Ontario. To the flames which Colonel Drew fanned, Mr. Henry—speaking for the first time this session—charged that not a single cent of the gas tax collections of the year ahead or of the fiscal year ending would be or had been used for highways construction and maintenance.

## Blames Opposition.

Mr. Hepburn threw both fists at the Opposition. He minced no words. He repeatedly placed upon them the onus for any delay in the tax imposition and subsequent curtailment of the municipal subsidy one-half a mill promised from the tax. He recited at length the "benefits" which had been passed back to the municipalities through operation of the Provincial Income Tax Act, the Timber Reallocation Bill, more rigid enforcement of succession duties administration and business-like administration of the liquor board. Not a single Tory member opposite, he said, dared contradict his statements—dared deny that the legislation the present Government had passed in these various connections had not been "good law."

And yet they had consistently opposed it in the House. They had even filibustered—as "you are filibustering now, no matter how much you protest"—against succession duty amendments that in two years' time had been the direct means of collecting 40 millions in revenue out of which the Province under previous Tory Administrations had been systematically "defrauded."

"This isn't a taxing Government at all," he said. "This is a beneficent government—trying every day to do something for the people. We give you an honest picture of our affairs. We deal with problems as we see them."

The present gas tax increase, he argued, was quite in accord with the policy enunciated by the one-time Tory Prime Minister, Howard Ferguson. Out of the revenue to accrue to the province \$1,500,000 would go to the municipalities. This, along with the continuing one-

mill subsidy, and the \$2,000,000 which would be spent, at least, for the care of T.B. indigents, would more than absorb every cent of money collected under the increase.

Mr. Hepburn at length stressed the need for T.B. clinics, which brought later from Mr. Henry the sharp rejoinder—that no matter how laudable that work might be—it was not the purpose for which the gasoline tax has originally been designed, and from which the present administration was retreating as fast as it could.