

# Township Taxation Applying to Schools Cut by New Laws

**Amendments to Act Provide That Where School Section Has Equalized Assessment of \$100,000 or More, Certain Grants May Be Lessened**

## RATES OF INTEREST TO BE DISCUSSED

Proposed legislation to lessen taxation for public school purposes in townships, was one of the features forecast in the Speech from the Throne at the opening of the Legislature yesterday. Under planned amendments to the Public Schools' Act, townships now paying \$600 and \$400 in grants toward first and second Principal salaries, will be authorized to cut the payments to \$450 and \$300, respectively, where the school section has an equalized assessment of \$100,000 or more. Cities, towns, villages and union school sections do not come under the plan, Premier Henry told *The Globe*.

There is a good likelihood that school sections classed in the assessment rating from \$60,000 to \$100,000 and those from \$40,000 to \$60,000 will also be affected through a grading down of the township grants. Mr. Henry said in supplementing the brief intimation contained in the Speech.

### Need Explained.

A general inclination of school boards to reduce salaries, coupled with the intention of the Government to disallow school sections to build up surpluses at the expense of the ratepayers, brought about the need for the statutory changes, the Premier stated.

An indication of how a township will benefit by lower taxation is cited in the case a municipality which would have an assessment for public school purposes of \$500,000 and has five schools within its confines, with a first Principal teacher and second Principal teacher in each. The equalized assessment would bring each school board within the \$100,000 rating and would effect a net saving on grants toward the ten teachers' salaries of \$2,500.

In the lower classed assessment ratings and where a district would be paying a teacher's salary less than the amount of the grant, no change would be effected as the School Inspector's approval would not be given for the grant.

Other notable items in the Speech were one directing public and expert attention to a study of prevailing rates of interest; the effort of the Government to pursue a policy of retrenchment; official announcement of redistribution of the House; and reference to proposed legislation to effect a further moratorium for the benefit of home owners.

Questioned on what the Government had in mind regarding interest rates, Premier Henry assured *The Globe* that there was no intention to embark on a refinancing policy. Neither, he declared, was it the announcement of a policy to cut the interest rates on deposit with Province of Ontario Savings branches.

"We may be willing to follow the lead if other banks, Federally controlled, cut their rates," he said, "but I think we went far enough when we reduced the rate to its present 3 per cent. point to coincide with theirs."

Mr. Henry declared that the reference to interest rates, therefore, was made only with the intention of "keeping the question before the public."

Every department will bring down a comprehensive statement of proposed lessened expenditures for the current year at Budget time, the Premier said, when asked what further economies were planned similar to those announced by the Department of Education, where approximately \$1,250,000 will be saved by cutting legislative grants to schools.

The Ontario Hydro's reserve of \$62,500,000 was mentioned to show the good financial standing of this public-ownership enterprise, and the judicial inquiry was dismissed with the information that the already published report would be laid on the table of the House.