

March 16

Royal Commission To Probe Tax Relief

The Government's pledge to assume at least 50 per cent of the school tax charged to real estate will be fulfilled to the letter, and a Royal Commission will be appointed to study every phase of the whole complex question. Premier George Drew announced last night.

In the meantime the Government will this year contribute \$3,500,000 toward the direct cost of education in Ontario as a temporary measure. The Premier stressed that this grant, which will be in addition to existing payments, must not be regarded as an alternative to the undertaking given by the Progressive Conservative Party in the August election last year, "and which we are determined to carry out."

Described by the Premier as the "greatest tax readjustment in the history of Ontario or any Province of Canada," the assumption of 50 per cent or more of the school taxes levied against real estate involves study of numerous problems, one of the most difficult being the "tremendous difference in methods of assessment throughout the Province." That in itself presented an insuperable barrier to the immediate solution of the problem, the Premier pointed out.

Text of Statement.

The text of the Premier's statement is as follows:

"I have deferred making any statement in regard to our plans in connection with school taxes until the Provincial Treasurer was ready to present the budget. This will be done tomorrow. But I believe I should give a simple explanation of what we propose to do because of the number of misleading statements made in the past few days which have been reported in the press.

"May I recall what I said prior to the last election. These were my words: 'There will be a sweeping revision of our whole system of real estate taxation so that the owning and improving of homes and farm lands, which are the very foundation of our society, will not be discouraged by excessive taxation. As an initial step in that direction the Provincial Government will assume at least 50 per cent of the school tax now charged against real estate.'

"I have recommended this course

for several years for the very purpose indicated in the statement I have quoted. The owning and improving of homes must be encouraged if building is to be done on the scale required. I have pointed out, however, that this involves sweeping revisions which can only be carried out upon the basis of a complete examination of the facts and co-operation of all authorities concerned with this matter.

"This is the greatest tax readjustment ever contemplated in the history of Ontario or any Province of Canada. It was never expected that it could be done overnight, and it was always emphasized that it must be done upon a sound basis, recognizing the underlying principles upon which our school system is founded.

"I wish to state most emphatically that never at any time has there been any suggestion of departing from those fundamental principles, and never at any time has there been any thought of departing from the undertaking we have given.

Subject of Long Study.

"Experts have been working on this subject for many months. Some of the ablest accountants in Canada have been studying the subject continuously and obtaining necessary information. They have laid the foundation for the public inquiry which must be conducted for the purpose of exploring the extremely complex problem to be solved. This will be done by a Royal commission fully representative of all shades of opinion.

"These accountants advise that the undertaking can be carried out, but that it is not a practical possibility to lay the necessary foundation without a complete and exhaustive public inquiry, which will not only ascertain the essential facts, but will also provide an opportunity to place before the public in advance the details of the questions to be solved.

"There are 6,399 school boards and other local authorities in Ontario. It would be impossible to assure equality between them under existing conditions. We are advised that any attempt to arrive at some temporary solution would only aggravate the inequalities which now exist. The most difficult aspect of

this whole question is the tremendous difference in methods of assessment throughout the Province. That in itself presents an insuperable barrier to the immediate solution of the problem.

"I might also explain that before a Royal commission could be appointed to conduct the necessary inquiry, a reorganization of the Department of Education was absolutely necessary to provide the essential background for the proceedings before that commission. That reorganization has taken place and we are now ready to proceed with the selection of the commission and the planning of the procedure to be followed.

"In the meantime, we are taking very definite steps to improve the situation, both as to the cost of education and the status of the teachers.

"Three million, five hundred thousand dollars will be contributed this year to the cost of education by the Ontario Government, in addition to anything which has been paid in the past. It will go directly to the cost of education. No similar increase has ever before been carried into effect in one year in this Province.

"This is, however, merely a temporary measure, adopted in the face of present difficulties, and not to be looked upon as an alternative to the undertaking we have given and which we are determined to carry out."