

March 10

"I am not criticizing this transaction, which, in view of the military and world political situation at that time, was an advantageous transaction," Mr. Frost said.

The bonds, maturing July 1, would have to be met or paid off or refunded in the United States. To pay them off in United States funds would mean a cost of 11 per cent in foreign exchange, amounting to \$1,650,000. It had been decided to refund the whole loan in New York, and Mr. Frost said it was gratifying to know that the Government had been able to refund the loan at an interest cost of slightly less than half of that of the existing loan made in 1942. The actual saving, therefore, during the currency of the loan would be in excess of a quarter of a million dollars per annum.

#### New Achievement

"This one transaction, resulting in an annual saving to the taxpayers of Ontario of over \$225,000," the Treasurer said, "marks a new achievement in Government financing by this Province. It indicates the high credit standing of the Province, and I hope the House will agree that some credit is due the Government for the very advantageous results of refunding a loan of \$15 million during these unsettled times."

Indicating an improved condition in agriculture, Mr. Frost pointed out that many mortgagors during the year had been paying off before maturity loans advanced by the Commissioner of Agricultural Loans. Loans numbering 13,553 at the end of 1943, representing a total indebtedness of \$30,663,679, were down to 12,586 at the end of 1944 with a total indebtedness of \$27,117,502. In 1944 967 loans were paid off and total repayments on all loans amounted to \$3,546,177. Repossessed properties numbered 83, representing \$213,349 at the end of 1943, but the number had been reduced to 46 representing \$119,709 by the end of 1944. And whereas a year ago 42 applications were heard under the Farm Loans Adjustment Act, 321 had been heard last year and \$181,685 reductions granted in principal, interest and sundries.

Though depositors had been encouraged to invest from their saving in Victory bonds and had done so to the extent of more than \$6¼ million, deposits for the year in the 23 Province of Ontario Savings Offices showed an increase of almost \$4 million and total deposits are in excess of \$38 million, Mr. Frost reported. Deposits were steadily increasing and he expected they would be much higher during 1945.

## School Grants Up \$3,016,570 In City Alone

Toronto's public and separate school grants from the Ontario Government will jump from last year's total of \$482,000 to \$3,498,570, Provincial Treasurer Leslie Frost told the Legislature yesterday in his Budget address. About \$2,000,000 of this increase will go to public schools, he said.

Mr. Frost read from prepared figures the substantial increases in school grants that will accrue to Ontario municipalities under the Government's plan of assuming 50 per cent of the overall cost of education. In his own home town of Lindsay, typical of towns under 10,000 population, the increased school grant made it possible to reduce the tax rate seven mills this year, he declared. Added to the one-mill grant made last year, this meant a saving of \$8 a year per \$1,000, or \$24 a year on a \$3,000 home.

The following table shows grants made to the larger centres last year, and the new grants:

	1944.	1945
Hamilton City.	\$132,649	\$696,940
Brantford .....	38,384	162,686
London .....	134,732	379,055
Ottawa .....	144,816	670,635
Parry Sound..	170,734	261,200
Kingston .....	41,464	157,552
Niagara Falls.	84,040	356,459
S. Ste. Marie..	83,106	213,699
Sudbury .....	273,991	533,212
Peterborough .	103,615	283,885
Port Arthur ..	66,148	212,033
Windsor - Sand- wich .....	14,422	26,620
Windsor - -Wal- kerville .....	92,589	652,609
York East .....	251,945	681,335
York North ...	114,542	409,937
York S. and W.	471,603	1,169,585
Totals .....	\$7,611,935	\$23,443,246

# Big Sums Saved To Municipalities, Frost Points Out

Setting a precedent which will save municipalities payment of large sums in interest in anticipation of taxes to be received next fall, Provincial Treasurer Leslie Frost announced in his Budget Speech in the Legislature yesterday that the Ontario Government proposes to advance immediately to school boards \$8,808,000. This relief to taxpayers through municipal tax reduction was made possible, he said, by the "magnificent surplus" of \$8,922,400.

Mr. Frost said he was sure the House would authorize this distribution of the surplus to the school boards since, by so doing, "every municipality in Ontario will save large amounts in interest alone."

The payment to school boards will be included in supplementary estimates to be presented to the House. The \$8,808,000 advance payment will be approximately 34 per cent of the 1945 general legislative school grants.

#### Higher Pensions

Mr. Frost also announced that minimum pensions for school teachers can now be increased from \$365 to \$500 and the years of teaching required for a full pension reduced from 40 to 36 through an increase in contributions to the Teachers and Inspectors Superannuation Fund from 3½ to 4 per cent by both teachers and Government.

Maximum pension may now be increased from \$1,250 to \$1,500 and pensions permitted up to 60 per cent of average salary instead of 50 per cent, with provision for a portion of the pension of a deceased teacher to go to his widow.

Cutting four years off the years of teaching required for full pension, Mr. Frost said, will benefit those who have lost years from their careers through war service.

The Government's financial program for the year beginning April 1, Mr. Frost said, "involves meeting the cost of education, which, for the war years from 1939 to 1944, represented the expenditure of sums ranging from \$12 million to \$15 million annually." Education during the coming year would require an expenditure of \$25,383,168 which, he emphasized, is in addition to the advance payment of \$8,808,000 which, as soon as authorized, "will be received by public and separate school authorities of this Province, each and every one of them, not later than March 31."

Mr. Frost pointed out frankly that while it was the duty of school boards to economize every reasonable and practical way, "it is the duty of municipal councils to pass the great reduction in school levies on to their taxpayers. In so doing our municipalities will not only be helping themselves and their ratepayers, but will also be assisting their Government to bring about broader tax adjustments which will remove the inequalities and injustices in our tax system, with all of their tragic effects on our development."

Mr. Frost added that a general adjustment in the tax load "will provide the stimulation necessary to encourage agriculture, business and industry to provide for the development of our country and for the full employment of our people."