

BRIEF
submitted by
**QUEBEC FEDERATION OF
PROTESTANT HOME
AND
SCHOOL ASSOCIATIONS**

to

**THE QUEBEC
ROYAL COMMISSION
ON TAXATION**

September 1964

**BRIEF SUBMITTED BY
QUEBEC FEDERATION OF PROTESTANT HOME & SCHOOL ASSOCIATIONS
TO
THE QUEBEC ROYAL COMMISSION ON TAXATION**

I N D E X

I	Introduction	Page 1
II	Factors influencing this submission	Page 1
III	Statement of principles	Page 3
	(A) Providing education	Page 3
	(B) Raising revenues	Page 3
	(C) Expenditure of funds	Page 3
IV	Recommendations	Page 5

**BRIEF SUBMITTED BY
QUEBEC FEDERATION OF PROTESTANT HOME & SCHOOL ASSOCIATIONS
TO
THE QUEBEC ROYAL COMMISSION ON TAXATION**

I Introduction

The present Brief is presented by the Quebec Federation of Protestant Home and School Associations. Quebec Federation, formed twenty years ago, today numbers 200 individual associations representing 20,000 family memberships. It exists wherever schools of the Protestant panel exist, from the Gaspé Peninsula in the east to Hull in the west, from Val d'Or and Arvida in the north to Thetford Mines and Sherbrooke in the south. The adherents and some Jewish Day (Parochial) Schools of the Jewish faith also express themselves in and through the Federation.

In 1962 a brief submitted to the Royal Commission on Education of the Province of Quebec included a section on finance which resulted from two years of study by many associations, committees, individuals and consultants.

Our desire to express our views to the Royal Commission on Taxation led to the further study of the 1962 brief. This study, in which our member associations participated, was endorsed at our Annual Conference in May of this year.

This brief represents the views of our organization in the light of the present needs of education and the problem of raising revenues to satisfy these needs.

II Factors influencing this submission

There are a number of factors which may be termed weaknesses of the existing education taxation system. Some of these factors that we have observed and considered in this work are:

- (A) Varying characteristics of regional sources of tax revenues such as the level of industrialization;
- (B) Varying characteristics of regional requirements for revenues such as the number of students per square mile and the need for higher incentives to attract teaching and administrative personnel;

- (C) Past failures to provide for present requirements which have left some efficiently administered school boards with a high tax rate. This compares with those boards whose past inefficiencies have been relieved by subsidization of deficits;
- (D) Inequitable distribution of education costs:
 - 1. as indicated by a comparison of the indirect contribution of tenants in relation to the contribution of owners
 - 2. as indicated by the variances between the contribution of owners in various communities
 - 3. as indicated by the inability of the tenant to direct his tax contribution to the school system of his choice
 - 4. as indicated by different rates in the same community under the two school systems;
- (E) Economic impact in newer suburbs and rural areas taxed for educational purposes at a high rate which deters the development of the community;
- (F) Discrepancies resulting from the need for individual judgements in the municipal evaluation of real estate and the many different individuals involved in such judgements throughout the Province;
- (G) Conflict between the desire for local autonomy in school administration and the benefits derived from the use of regional and Provincial levels of administration.
- (H) Delays in the advancement of education influenced by:
 - 1. property owners with fixed incomes resisting increased educational standards to prevent tax increases,
 - 2. the economic limit placed on the revenue potential of the minority rural school boards resulting from the sales of taxable properties to members of the majority group as the minority tax rate increases;
- (I) Timing of the receipt of funds which presently results in undesirable costs such as interest on school board overdrafts.

III Statement of Principles

We believe that any system of taxation for the support of education should incorporate the following principles:

(A) Providing education:

- (1) That every individual will have the same opportunity to progress through a post-secondary level of education, such as a technical diploma or university degree, by day or by means of adult education, subject only to the individual's ability.
- (2) That all the education needs of exceptional children be provided for.
- (3) That educational experimentation and research be encouraged and continued at all levels, including the local level.

(B) Raising revenues:

The system of gathering revenue for the purpose of education must

1. strive for equitable distribution of the Provincial cost consistent with ability to pay.
2. not be based on affiliation with a particular school system.
3. encourage an equitable distribution of the cost throughout Canada.

(C) Expenditure of funds:

That the system of expending funds for the purposes of education must

- (1) ensure that all taxes at the Provincial level, irrespective of the source, should go into the General Revenues against which the prime charge should be for educational purposes.
- (2) Ensure the provision of a HIGH BASIC STANDARD OF EDUCATION which should strive for equal facilities and content for all. This high basic standard to be established by the Ministry of Education.
- (3) Place the attainment of a high basic standard of education before all else. In our view, this takes precedence over the continuance of the confessional school system.
- (4) Encourage a greater common usage of staff and facilities between language groups and between existing divisions of the confessional system.

- (5) Ensure conformity with the high basic standard in spite of the possibility of unequal cost distributions per pupil.
- (6) Recognize the different types of requirements for funds of the various educational categories, such as Universities, Technical Schools, High Schools, Elementary Schools, Special Schools, prior deficits, the Ministry of Education, etc., as well as the requirements for funds within any of the above such as the differences resulting from population density and from operating costs as against physical plant costs.
- (7) Consider all items not provided for under the high basic standard as being frills which should be discouraged other than on the initiative of local electors, or parents, who should be encouraged to seek such frills in the private school systems.
- (8) Provide for the retention of regional administrative bodies which must be elected wherever they exist in the Province and which must be provided with the opportunity to challenge the definition of the high basic standard as made by the Ministry of Education.
- (9) Encourage greater efforts towards the setting up of more scholarships and bursaries provided from private, industrial, provincial and federal sources.
- (10) Ensure that the ratepayer will bear the full cost of the high basic standard with no deferment of operating costs to future ratepayers and with capital costs assigned only to the years benefiting from the expenditure.

IV Recommendations

We therefore recommend:

- (A) That there be found a more suitable method for raising educational revenues than the present real estate field.
 - (B) That consideration be given to either
 - 1. The use of income taxes as a means for raising educational revenues,
or
 - 2. A form of tax on goods and services extended to all areas of consumption, personal and industrial, on a graduated basis with a heavier emphasis on the taxation of luxury and non-essential items. Exemption should be provided for goods incorporated into, or attached to, taxable goods for sale to minimize double taxation.
 - (C) That a system for the distribution of revenues be developed consistent with the principles outlined above. The establishment of a high basic standard level of education should be the goal. The system of allocating funds to the categories of educational endeavour should consider such factors within a category as the pupil density and measures such as residential rural secondary schools.
 - (D) That full consideration be given to the systems in use around the world and particularly we suggest reference to the information that may have been gathered by the Parent Commission.
-