

Thesis
T364

STATE PROVISION
FOR
EDUCATION IN RURAL SASKATCHEWAN.

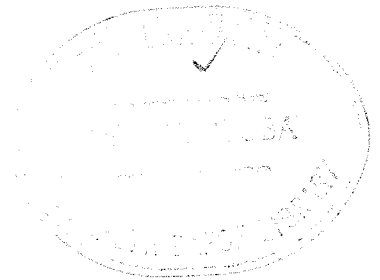
BY

J.M. THOMAS, B.A., (Man.)

Being a Thesis submitted to the Department
of Political Economy of the University of Mani-
toba, in partial fulfilment of the requirements
for the Degree of Master of Arts.

UNIVERSITY OF MANITOBA

APRIL, 1926.



CONTENTS

	Page
Foreword.....	1
PART I.	
Introductory.....	3
Economic Interest of the State in Education.....	5
Relation of Education to Representative Government.....	10
Comparative Responsibilities of State and Parents.....	16
Arguments against State Responsibility.....	20
PART II.	
Present System of School Organisation in Saskatchewan.....	23
Present System of School Maintenance.....	25
Evidence from Districts Investigated.....	27
Analysis of Expenditures.....	32
Analysis of Sources of Revenue.....	40
PART III.	
Units for Educational Support.....	47
Suggested System of Support.....	55
Conclusion.....	60
Bibliography.....	62

FOREWORD

One of the greatest burdens which the public, as a taxpayer, has to bear, is the cost of education. This cost is increasing and frequently the issue is put squarely that educational facilities must be cut down or new methods of financing devised.

Whether the educational facilities provided by rural elementary schools may or may not be curtailed is a matter for the educationalist as much as for the economist. It is the situation as it exists that is the subject of study in this Thesis.

The question, then, from the financial standpoint, eventually becomes one of choosing between two lines of development. Either a much greater and increasing share of the burden must be borne by the province, or the present burden on the local districts and on the individuals must be increased.

The scope of this Thesis is limited to a consideration of the Rural Elementary School situation only. This, not only for the purpose of keeping the writing within a reasonable length, but also because the problem of educational finance in Secondary and University Education involves factors which do not appear in the problem in relation to Elementary Education.

The scope is further limited to Rural School Education because of the great numerical preponderance of rural schools in the province of Saskatchewan. There are also certain differing conditions, which make it preferable, in order to simplify the problem as much as possible, to treat separately the Urban and the Rural Elementary Schools, though they do have much in common.

The plan of the Thesis is, first, to endeavor to establish some economic principles which may furnish a theory for the construction of a system of Educational Finance. A comparison will then be made between the conclusions of economic theory and the methods now in operation. This will be followed by suggested modifications to bring them into harmony, if and where such does not now exist.

Acknowledgment is made of direct quotations which have been used where the language of the writer is particularly forceful in elucidating or emphasizing a point under discussion.

A bibliography is appended. Acknowledgment is made of suggestions for lines of thought drawn from certain of these books. In addition to these sources, other books have been listed in which one interested in the subject may find more extended discussions of some of the questions raised in this Thesis.

PART 1.

INTRODUCTORY.

In modern democracies it is frequently asserted that every child in the state has a "right" to equal opportunity to reach a certain standard of education. It is also asserted that an educated electorate is the "sine qua non" of a successful democracy. Practical recognition of these views led to the institution of "free" schools, that is, schools supported by public taxation, and to compulsory attendance legislation.

Supervision of education is treated as a state function as distinct from a local or municipal function. In England there is a Department under a Minister of the Crown having control of education. In Canada the Province is the unit of educational control with a Department under a Minister. These provincial departments have delegated authority in certain matters to District or Municipal Boards subject to the provisions of a Provincial School Act. Provincial legislation provides that a "free" school shall be operated where there is a stated minimum number of children.

The major portion of the burden of taxation for the support of the school is placed on the local district, organised for this purpose and also for the purpose of creating machinery for a measure of local management.

The English classical economists of the later eighteenth century and of the nineteenth century were advocates of a governmental policy built around the Laissez-Faire Theory. Yet their advocacy was qualified by important exceptions, among which was the control and support of the education of the people. Adam Smith, whose "Wealth of Nations" was revolutionary in its effect on the commercial system of his time through its Laissez-Faire

teaching, made education an exception to the rule. John Stuart Mill, fifty years later, in his restatement of English economic theory supported that position. The views of leading modern economists, as will be shown, are in accord with earlier theory.

In connection with taxation as a source of public revenue there are certain accepted canons. Among those is Adam Smith's famous first maxim: "The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state." In the observation or neglect of this maxim consists what is called the equality or inequality of taxation. No attempt will be made to go over the argument establishing the validity of the maxim in its application to public business. Its validity and soundness as a principle of public finance will be accepted.

The object of this investigation includes considering to what extent the present system of supporting rural schools in the Province of Saskatchewan is consistent with the principles mentioned above, with economic theory, and with accepted canons of taxation.

THE ECONOMIC INTEREST OF THE STATE

IN EDUCATION.

The advantages to be derived by the state in direct return for an outlay or investment in education are not, by any means, inconsiderable. The observance of law with the consequent decrease in crime and expenses of law administration, the decrease of insanity and disease, and a more efficient citizenship constitute returns to public expenditure through the channel of its educational system.

Assuming that the state has a definite objective for its educational system and has arranged its curriculum accordingly, an increase in the expenditure on education will be more than counterbalanced by the reduced expenditure on crime, disease and poverty on the one hand, and more than compensated by the increased productive capacity of its people, on the other, due to better health and vigor, to the increase in mechanical skill and ability, and to moral and intellectual development.

Education offers to the state by way of "services rendered" a direct benefit, in that, generally speaking, the educated are better taxpayers and cause less expense as paupers or criminals.

Economic Value of a Person.

From a purely economic point of view the net money valuation of a person may be based on (1) the cost of production, and, (2) the resultant earning or producing capacity.

".. In a survey of the economic progress of a nation one decisive mark of an improvement in quality is an increase in the cost of education."

The production of the "economic person" up to the stage where he himself becomes an agent of production in his turn, obviously consumes a large amount of resources that might otherwise have

been used as material capital in the direct or more immediate production of material commodities. While it is true that the real value of education cannot be measured in terms of dollars and cents according to the cost, it is also true that, in a broad sense, the production of an educated person conforms to the condition of the production of material commodities in that - other things being equal - the greater the cost of production, so much greater the value of the finished article. Thus the prohibition of child labor for wages by legislation may very materially increase the cost of rearing a family; but because of this increase in cost, the value to the state of the children affected is very substantially increased.

Parents can never be sure that they will benefit by the expense and sacrifice necessary to give an education to a child. On the other hand, the prospect of immediate gain in a share of the child's earnings, however small that portion may be, will appeal to the parents' cupidity. But to the state as a whole, a sure prospect of an improvement in the quality and producing capacity of the people completely overshadows considerations of that nature, which are so immediate in their effect and which lose sight of the "long-run" and more permanent advantages. The nation can afford to wait and can afford to bear the financial cost to effect so great an improvement, because it knows that, barring an unforeseen and extensive emigration of its people, it will surely reap a real and permanent benefit.

"...Another decisive mark of economic progress in a nation is found in the increase in the numbers of the classes with higher earnings relatively to those with lower earnings."

The value to the state of the "economic person" after he has reached the stage of production may be estimated on the basis of

earning capacity.

Judged from the standpoint of economic worth to society, we have many classes of people. There is the general division into skilled and unskilled labor, and there is the professional class, and the artisan. The former divisions readily lend themselves to numerous subdivisions. Now each of these classes in these subdivisions will have varying earning or producing capacities, or, in other words, will have varying values as parts of the whole industrial machine engaged in the production of wealth.

Here there is an immediate economic gain which the state may derive from an improved general and technical education of the mass of the people. This gain is produced through those who rise from a position of lowly or unskilled labor to join the ranks of skilled labor - artisans, managers in business, scientists, etc.

Associated with this line of thought is Marshall's treatment of a related topic which he introduces with the sentence, "The laws which govern the birth of genius are inscrutable." Later in his discussion, he asserts:

"...Since the manual labor classes are four or five times as numerous as all the other classes put together, it is not unlikely that more than half the best natural genius that is born into the country belongs to them; and of this a greater part is fruitless for want of opportunity. There is no extravagance more prejudicial to the growth of national wealth than that wasteful negligence which allows genius which happens to be born of lowly parentage to expend itself in lowly work. No change would conduce so much to a rapid increase of material wealth as an improvement in our schools, and especially those of the middle grades, provided it be combined with an extensive system of scholarships, which will enable

the clever son of a working man to rise gradually from school to school till he has the best theoretical and practical education which the age can give."

The objective of a state with a progressive, constructive policy would be to increase as much as possible the value of the productive units, or, reverting to our original terminology, to increase the earning or producing capacity of the individual within a class, and of the various classes within the social body as a whole. This is an economic function of education and is of such a nature that the state is a beneficiary on a large scale of the necessary expenditure.

Hence, in order that the necessary cost of production of the educated person may be assured and because the state is to such an extent the beneficiary of the expenditure, the taxation burden for education should be assumed by the state to a great extent.

It should be added that while free education manifestly confers special benefits, both on the particular children by giving them what they might not otherwise have, and on the parents by relieving them of a portion of the cost of educating their children through the state-wide distribution of the burden, still the common benefit to the state is so great that money spent on education is placed in that largest and most important class of public expenditure - that class wherein expenditure is meant to confer a common benefit on all citizens.

Nicholson, in discussing the principle of "formal justice" as applied to public expenditure, includes the following paragraph in his treatment:

"..Much of the public expenditure for local purposes is provided by local taxation. If the benefit, e.g. a public garden, is purely local, the poorer localities, on this prin-

principle, have no claim on the central government or on richer areas for assistance in providing the benefit; but conversely, if the expense is to fulfil a public duty, e.g., compulsory education, such a claim holds good and is generally recognised."

Thus education may be viewed as a national investment in which the wisdom of investing public funds may be measured by direct and indirect returns. As a state investment, money spent on education is highly profitable in that it provides the opportunities for bringing out latent talent and ability which might otherwise have perished. And because of the "inscrutability of the laws which govern the birth of genius" equal opportunities for educational development should be secured to all. No consideration of any sort should be allowed to stand in the way of the attainment of this ideal. Consider the economic value of any one of the great industrial inventions of the past century. The value is sufficient to cover the educational outlay of the whole state for a generation. Consider the great contributions of Pasteur, of other great scientists in more recent times, of a Shakespeare, a Schubert or a Beethoven. "Some mute inglorious Milton here may rest"; may be spoken of any community. The argument for state responsibility for education from the standpoint of the economic interest of the state becomes overwhelming.

RELATION OF EDUCATION TO
REPRESENTATIVE GOVERNMENT.

The relationship between education and the institutions of representative government should not be omitted from a discussion of this nature.

It is not necessary to discuss here the merits or demerits of a system of government based on popular representation. For our purposes it is sufficient to argue from the assumption that at the present time we endorse this system. There is no apparent possibility of a change within calculable time, and hence we may accept this system as the fixed quantity and relate our educational system to it - to contribute to its successful operation in as great a degree as possible.

John Stuart Mill professes to recognise in representative government the ideal type of the most perfect polity, and argues, that, consequently, any particular people are better adapted for this type of government in proportion to their general improvement. This improvement must come through education, and hence, necessarily, education is a state function, carried on for the common welfare of all, aside from any special benefits to the individual. As this "general improvement" ranges lower and lower, people become, generally, less adaptable to representative government.

In discussing the causes of failure in a government under this system, Mill states one of his three main reasons, viz., "When the people want either the 'will' or the 'capacity' to fulfil the part which belongs to them in a representative constitution." This "will" and "capacity" for, and understanding of, good citizenship can only be obtained by a system of education recognised as a state function.

In the "Wealth of Nations" Adam Smith emphasised what appeared to him at that time as the importance of education to the well-being of the state. A quotation may illustrate his viewpoint.

"...A man without the proper use of the intellectual faculties of a man is, if possible, more contemptible than even a coward, and seems to be mutilated and deformed in a still more essential part of the character of human nature. Though the state was to derive no advantage from the instruction of the inferior ranks of people, it would still deserve its attention that they should not be altogether uninstructed. The state, however, derives no inconsiderable advantage from their instruction. The more they are instructed the less liable they are to the delusions of enthusiasm and superstition, which among ignorant nations, frequently occasion the most dreadful disorders. An instructed and intelligent people, besides, are always more decent and orderly than an ignorant and stupid one. They feel themselves, each individually, more respectable, and more likely to obtain the respect of their lawful superiors, and they are, therefore, more disposed to respect those superiors. They are more disposed to examine, and more capable of seeing through, the interested complaints of faction and sedition; and they are, upon that account, less apt to be misled into any wanton or unnecessary opposition to the measures of government."

We have quoted here at some length. Making due allowance for the political and industrial changes since Adam Smith's time, there is still much of his comment that is as truly and fully capable of application to the social organism of today as it undoubtedly was to that of the time in which he wrote.

On the same subject Mill wrote:

(1)

"... Strong prejudices of any kind: obstinate adherence to old habits; positive defects of national character, or more ignorance, and deficiency of mental cultivation, if prevalent in a people, will be, in general, faithfully reflected in their representative assemblies. "

From this condition, even given a strong and efficient executive, there arise all those examples of maladministration and inefficiency that form so powerful an argument against democratic forms of government.

"... The under-development of educational machinery is like some under-development of the brain and nerves, which hampers the whole growth of the social body. "

The national programme must, of necessity, be limited by the ability of the majority of the citizens to measure up to its demands. The most efficient and far-seeing administration can carry a desirable programme only as far and as fast as the public sentiment will allow. The public is entitled to look for a degree of leadership and guidance from those in positions of responsibility wherein they become fully informed on matters of public concern. Yet that leadership must depend on the general opinion for its support. This is the brake on social progress and it can be released only by education which, in the broadest interpretation of the word, is the preparation of the individual to take his place in the community.

H.G.Wells has stressed the importance of education in the following quotation :

"... Hitherto the government of states had been either authoritative, under some uncriticised and unchallenged combination of priest and monarch, or it had been a democracy, uneducated and uninformed, degenerating with any considerable

increase of size, as Rome and Athens did, into a mere rule by mob and politician. But by the thirteenth century the first intimations had already dawned of an ideal of government which is still making its way to realisation, the modern ideal, the ideal of a world-wide educational government in which the ordinary man is neither the slave of an absolute monarch nor of a demagogue-ruled state, but an informed, inspired and consulted part of his community. It is upon the word 'educational' that stress must be laid, and upon the idea that information must precede consultation. It is in the practical realisation of this idea that education is a collective function and not a private affair, that one essential distinction of the 'modern state' from any of its precursors lies. The modern citizen, men are coming to realise, must be informed first and then consulted. Before he can vote he must hear the evidence; before he can decide, he must know. It is not by setting up polling booths but by setting up schools and making literature and knowledge and news universally accessible that the way is opened from servitude and confusion to that willingly co-operative state which is the modern ideal. Votes in themselves are worthless things. Men had votes in Italy in the time of the Gracchi. Their votes did not help them. Until a man has education, a vote is a dangerous thing and a useless thing for him to possess. The ideal community towards which we move is not a community of 'will' simply; it is a community of knowledge and will, replacing a community of faith and obedience. Education is the adapter which will make the nomadic spirit of freedom and self-reliance compatible with the co-operations and wealth and security of civilisation."

The quotation is given in full as it expresses, in the light of modern conditions, parallel views to those of the classical economists in stressing the part which education plays in successful representative government. Inasmuch as this part appears to be a most vital one, it is the clear duty of the state to assume responsibility for the maintenance of its educational system.

The importance of this phase of the whole subject warrants the inclusion of one more quotation:

"...For the only acceptable measure of any civilisation, Page believed, was the extent to which it improved the condition of the common citizen. A few cultured and university-trained men at the top; a few ancient families living in luxury; a few painters and poets and statesmen and generals; these things, in Page's view, did not constitute a satisfactory state of society; the real test was the extent to which the masses participated in education, in the necessities and comforts of existence, in the right of self-evolution and self-expression, in that 'equality of opportunity', which, Page never wearied of repeating, 'was the basis of social progress.' The mere right to vote and to hold office was not democracy; parliamentary majorities and political caucuses were not democracy - at the best these things were only details and not the most important ones; democracy was the right of every man to enjoy, in accordance with his aptitudes of character and mentality, the material and spiritual opportunities that nature and science had placed at the disposition of mankind."

Democracy and Education go hand in hand. The plain inference here is the necessity of an educated electorate and it is equally obvious that the responsibility cannot be left to individuals or

to local communities but must, in great measure, devolve upon the state.

The state, for the sake of its own successful functioning, cannot place the responsibility, financial or otherwise, upon the local community and depend upon the 'will' and 'ability' of the District to maintain the required standards and give the necessary service in education.

COMPARATIVE RESPONSIBILITIES OF STATE AND PARENTS.

The practical problem now arises, and is one in which the economist has a direct interest, as to the principles according to which the expense of the education of children should be divided between the state and the parents.

As for the share of the parents, whatever it may be, two factors are at once introduced - the 'will' and the 'ability' to contribute. The majority of parents seem to be willing to give their children an education at least to equal their own. This apparent attitude may be the result of compulsory attendance laws rather than any indication of a willingness to give children educational advantages which may involve some sacrifice. Many parents desire that their children be given much greater opportunity for education than was theirs, particularly if the environment is suggestive of the cultural and of other advantages of higher education and thus conducive to a respect for it.

When the moral qualities of unselfishness and natural affection are strong and coupled with a keen sense of the value of education, the tendency is favorable to providing, even at some sacrifice, opportunities to children for higher education. In addition to the moral qualities mentioned there is need for a mental attitude which is, perhaps, not so common. It is the cultivated habit of trying to anticipate the future - of drawing on the imagination, perhaps, in order to try to visualise what the future lot of the child may be, following any given line of action during his early life. It would seem that the mass of people do not readily connect a neglected period of youth with an indigent old age, nor a period of youth which has taken advantage of educational opportunities, with a serviceable life and a secure old

age. Young people themselves, naturally, cannot be expected to consider the matter so.

Mill, in discussing the competency of the consumer to judge of the value of the commodity, allows several exceptions to the ruling that the consumer is the best judge of his own needs. These exceptions centre, more particularly, around those things which are useful chiefly as tending to raise the character of persons.

"... The uncultivated cannot be competent judges of cultivation. Those who most need to be made wiser and better, usually desire it least, and, if they desired it, would be incapable of finding the way to it by their own lights. It will continually happen, on the voluntary system, that, the end not being desired, the means will not be provided at all, or that, the persons requiring improvement having an imperfect or altogether erroneous conception of what they want, the supply called forth by the demand of the market will be anything but what is really required."

The individual may be willing to take "chances" on the future, but the state cannot. And it is because of this general weakness of the "will" factor that the state must, in its own interest, for its own protection and for its own moral and economic welfare step in and enact legislation for compulsory education.

There need be little time spent on a discussion of the second factor - that of "ability". The majority of parents could not possibly provide an education for their children out of their own resources. An attempt to revert to the discarded method of private, individual support would result in a large number being reared in ignorance of even the most elementary knowledge and would render useless all compulsory attendance legislation. Among

those whose "ability" would permit of providing some educational facilities the degree of education would vary with the "will" and the "ability" of the parents or those responsible.

The same argument, slightly modified, holds true if a small district be substituted as the unit in place of the single home. Varying Districts have varying resources or "abilities" and it can be amply demonstrated that where the burden of educational facilities is, in great part, thrown upon a small District, there will be a great variation in the facilities provided. (See tables 5 - 6) As the "will" in the individual is an important factor so in the District the "will" of the community will manifest itself in the strain put upon the "ability" to provide educational opportunity for the children.

Marshall urges the necessity for an improved educational system and places the responsibility on the state in regard to both the administration and the support.

"... Education," he states, "must be made more thorough. The school master must learn that his main duty is not to impart knowledge, for a few shillings will buy more printed knowledge than a man's brain can hold. It is to educate character, faculties and activities; so that the children even of those parents who are not thoughtful themselves, may have a better chance of being trained up to become thoughtful parents of the next generation. To this end public money must flow freely."

Now quite clearly Marshall's high standard of what an educational system should offer and of the place expenditure for education should hold in the state budget takes the matter of education out of the hands of the individual or local district and places it in the hands of the state. Such a project as Marshall suggests

cannot be left to local districts, either for the initiative to establish an educational system or for the "will" or the wisdom to determine the standards of educational requirements or curricula. Neither can it be left to the "will" nor the "ability" of the local district to maintain a system and the standards which might be deemed sufficient for the needs of a modern state.

We may reach the conclusion then, that the "will" and "ability" of individuals or districts are factors upon which the state dare not depend for the support of its educational system. Even as we saw that the state's interests were best served by a general educational system, there follows now the necessary and only supplementary conclusion that the financial responsibility must, in the main, be borne by the state. Thus the benefits reaped by all are supported by the contributions of all.

Inasmuch as the benefits to be derived from educational facilities are national in character, it follows that the services providing educational opportunities are preponderantly national in character. Hence, whatever portion of the burden of support through taxation is a local burden, is, with certain minor exceptions of an "onerous" character and an "onerous" rate is likely to press more heavily on some districts than on others in providing for the same services. It will in all cases press more heavily on the local taxpayers than if the burden were distributed generally throughout the country, thus broadening the basis of support of the burden. "Inequality of burden" inevitably characterises a system of supporting education where the responsibility is placed largely on the individual or local district.

ARGUMENTS AGAINST STATE RESPONSIBILITY.

Before concluding Part 1 some mention should be made of the arguments advanced against the state undertaking the primary responsibility for the education of all the children. These arguments, which will be presented in a brief form, are part of a longer list set out at much greater length by Mr. W.S.M'Kechnie in "The State and the Individual."

- (1) It tends to substitute State-love for Father-love, thus weakening the natural affections and sense of parental responsibility. "Free education is an injury to the self-discipline of English character."
- (2) The state, which pays for the training, will dictate both its quality and quantity. The grave danger here lies in the consequent disregard for the requirements of individuals.
- (3) As long as A is able to pay for the education of his own children there is no reason why the state should compel B to contribute to that objective. The provident father of two children or the bachelor, should not be compelled to bear part of the burden of educating the children of the improvident father of ten.
- (4) Every increase of taxation raises the cost of production. Thus national education is injurious to the trade and commercial prosperity of the country.
- (5) Such a system would operate as did the Poor Laws prior to 1832 to pauperise the people, any difference between the two being one of degree rather than one of kind.
- (6) Over-population is checked by rigidly enforcing the principle that parents must accept full responsibility for every child that they bring into the world.

No attempt will be made here to deal with these arguments

formally or at length. In the preceding discussion or in what is to follow there is much material relevant to the points now raised. The third and fourth points which, perhaps, may be taken more seriously, have been dealt with at some length. The fallacy in the fourth objection lies in the fact that an increased cost of production may result in an increased net profit. This is the positive claim that is made on behalf of public expenditure on education.

Mr. M'Kechnie suggests that there are three positions, any one of which the state may take:

- (1) It may repudiate all direct responsibility leaving each child to scramble for itself.
- (2) It may compel parents to educate their offspring at their own expense.
- (3) It may enforce education upon all and pay for it out of the national purse.

The first line of action he considers to be impossible and quotes with approval, "The ultimate control of, and responsibility for, the education of the people rests with the state."

The third choice is opposed on the grounds of the arguments listed above together with a number of others of minor importance or of similar purport to those quoted.

It is the second way that meets with his approval. This is the happy medium. The state legislates that all children must be educated but the nature of the education and the responsibility for the financial support rest entirely with the parents or official guardian. The state would have "some say in the matter" but beyond a measure of inspection, what this "say" would be or how far it should go is not dealt with. In the case of poor orphans or children of utterly destitute parents it is admitted

that the state must undertake the responsibility for educating them. How compulsory education legislation is to be enforced among the great number who might justly claim "lack of ability" is not stated.

In brief, the difficulties that would arise in attempting to apply such a theory to the construction of a practical system are apparent and are of such a nature that the theory can only interest us as a matter of speculation.

It is a slightly modified form of the third suggestion that carries the weight of evidence in the present discussion and the criticism and constructive suggestions that follow are based upon an acceptance of this theory of the function of the state in relation to education.

PART 11.

PRESENT SYSTEM OF SCHOOL ORGANISATION

IN SASKATCHEWAN.

The School Act of Saskatchewan provides that wherever there are ten or more children of school age and four persons liable to assessment for school support, resident within an area of 20 square miles, a school district may be organised. In the event of the community neglecting to so organise the District of Education may take steps to organise it in accordance with governmental and departmental regulations. The Act provides for the direct management of a Board of Trustees elected by popular vote.

School Districts are classified according to the nature of the organised area as Rural, Village, Town and City Districts. There is also a number of large Consolidated School Districts formed by the union of several small school districts. These Consolidated Schools carry on a part of Secondary School work and receive special financial aid from the government.

The schools are classified according to the nature and extent of the curriculum as Elementary and Secondary Schools. Some Village and Town Districts have their Elementary Schools carrying a portion of the Secondary School curriculum. These are known as Continuation Schools and have been the subject of special financial consideration by the government through extra grants for conveyance and for rooms devoted exclusively to work above Grade Seven.

The Rural Schools are, to a very great extent, Elementary Schools though occasionally an attempt is made to include higher grades in the course covered by the school.

The place of responsibility which the elementary rural school occupies in the educational system is indicated by the following

Table of comparative enrolment of rural districts as against the combined enrolment of village, town and city elementary schools.

TABLE 1.

ENROLMENT OF ELEMENTARY SCHOOLS				
Year	Rural Schools	V., T., City Schools	Total	Percentage
1921-22	106,078	72,236	178,314	59.48
1922-23	111,474	76,494	187,968	59.35
1923-24	117,162	80,045	197,207	59.42

Table 1 shows that nearly 60 % of the total elementary enrolment of the province is enrolled in the rural elementary schools and that the general tendency is for the strictly rural schools to maintain their proportion of the total enrolment. At the same time it should be noted that the percentage of attendance (by enrolment) is about 10 % lower in the rural schools than in the other class of schools.

NOTE :

By a recent amendment to the School Grants Act the grants for secondary education are diminished or abolished and provision made for the collection of "fees" from students up to \$ 50.00 a year.

PRESENT SYSTEM OF SCHOOL MAINTENANCE;

The elementary schools of the province are supported from two sources:

- (a) Rates levied upon taxable property within the District.
- (b) Grants paid by the government in accordance with the provisions of the School Grants Act.

School Districts have power to issue debentures and to borrow against rates for large capital expenditure or to provide funds to carry on with till local taxes are paid or till provincial grants are forthcoming.

The government grants are provided from the School Lands Trust fund which is supplied by the Dominion Government in lieu of other revenue from school lands held in trust by the Dominion and from the Consolidated Fund of the province. The provincial government has also other minor sources of revenue for educational purposes, such as fees for examinations, but the revenue from these sources is largely consumed in providing the facilities from the use of which it is drawn.

In order that a District may participate in government grants it must conform to specified minimum requirements. All Districts meeting these requirements receive the stipulated grant. The establishment of standards of efficiency and service beyond these minimum requirements must find its incentive in the District. In a district where a high standard is maintained there will be found a community with a keen sense of the value of education and a determination to provide the best possible educational facilities and opportunities for the children of the District - a determination which finds expression in direct ratio to the amount of the local mill rate of taxation for education. It is equally true that other Districts, imbued with a like spirit, find it impossible to main-

tain this high standard owing to adverse economic conditions of a temporary or permanent nature.

Thus the present system of maintenance of rural schools is characterised by two important features:

- (1) As a result of the provincial grant being paid conditional to certain minimum requirements, most of the rural schools meet these requirements.
- (2) Because any increased efficiency or higher standards means increased local taxation, there is a very wide degree of divergence among rural districts, in respect of educational facilities provided for the children.

NOTE:

There is estimated to be in the surveyed portion of the province 2,566,000 acres of unsold school lands held in trust for the province by the Dominion, which are of the approximate value of \$40,000,000.00.

4,145,000 acres are not valued, being yet unsurveyed.

The total acreage of school lands is estimated by Dominion authorities to be 7,996,000 acres.

Up to the present time the proceeds of sales of school lands amount to \$22,231,019.16 which is held "in trust" by the Dominion government. An annual grant, out of this "trust" fund is paid to the province to be used specifically for education.

In 1924 the Dominion grant to the province amounted to \$1,029,111.51. Other sources of revenue yielded the province \$115,838.73 for education.

The total expenditure by the provincial government on education in 1924 was \$3,046,889.17.

EVIDENCE FROM DISTRICTS INVESTIGATED.

In order to examine in detail, in its practical application, the present system of maintenance, data was collected from seventy-seven rural districts scattered throughout the province. The data from each district included such items as : the assessment value of the district; the school-tax mill rate; salary paid to teacher; days the school was in operation; enrolment; average attendance; outlay on grounds, on buildings, on furniture and equipment, on library; debenture payments and various other expenditures grouped under the head of 'miscellaneous'. To ensure that the school districts investigated should be of as representative character as possible, care was taken that a number of districts from the various sections of the province should be included in the list. Other than under this provision no special selection of districts was made.

Cost of Maintenance of One-Room Rural School.

Total for 77 Districts.....	\$ 126,713.02
Less total debenture payments....	<u>9,159.19</u>
Net cost of maintenance.....	117,553.83
Average cost per school.....	1,526.67
The expenditure of 11 districts was less than	\$ 1200.00
The expenditure of 22 districts was less than	1300.00
The expenditure of 21 districts was more than	1700.00
The expenditure of 14 districts was more than	1800.00

In the list of districts examined the highest cost of maintenance was that of a district which reported an outlay for 1924 of \$ 2,983.58 . This district had no debenture payments to make. It was open 196 days in the year with an enrolment of 25 and an average attendance of 15.3 . The assessment of this district is \$ 301,560.00 with a school-tax rate of 7 mills.

In comparison with this, another district reported an outlay

for the year of \$ 1,056.42 - a little over one-third of the outlay of the former case. This district had no debenture payments to make. It was open for 216 days during the year with an enrolment of 21 and an average attendance of 12.97 . The assessment of this district is \$ 166,550.00 with a school-tax rate of 4.5 mills.

The assessed value of the first district is almost twice that of the second. In so far as the assessed values are equalised or conform to the same standards of valuation they provide a basis of comparison as to the relative "abilities to pay" of the two districts. Assuming for the moment a system of equalised assessment, it is obvious that, to ensure equal opportunities for education to the children of both districts, the present school-tax mill-rates should be reversed. But such a method of providing equality of opportunity would result in district #2, without much more than one-half the taxable resources, bearing a school-tax burden of almost double the mill-rate of district #1. In other words such a method would violate in a most extreme fashion the canon of "ability to pay" as the basis of an equitable system of taxation.

Let us assume, now, that the widely differing assessments are not parts of an equalised system but actually represent taxable resources of almost equal fertility though being rated at different values for assessment purposes. (It is not an uncommon practice for a municipality to raise the assessment values and lower the mill rate for advertising and other reasons or to lower the assessment and raise the rates thus avoiding some provincial tax. The practice, obviously, cannot alter in any way the burden of local taxation on the ratepayers.) It might be expected, then, that the mill rate in District 1 with its high assessment would be proportionately lower than that of District 2. This is a very natural surmise if we keep in mind the information given above, relative

to the enrolment, average attendance and days open for each school. We find, however, that there is little difference between the schools on these matters. If we resort to actual 'pupil-days' for which the district pays as a basis of comparison, we find that there is, indeed, very little difference in the service provided. District 1 had a total of 2,998.8 'pupil-days' recorded for the year at a cost per 'pupil-day' of 99.4 cents. District 2 had a total of 2,808 'Pupil-days' for the year at a cost of 37.6 cents per 'pupil-day'.

Comparison of Districts in the Same Municipality.

In order to simplify our comparison by eliminating the factor of possible difference in assessment valuations of two Districts, the case may now be considered of three Districts within the boundaries of one municipality. Assessment valuations will, in this case, conform to the same standard and the ability of one District to pay and support a school relatively to the ability of a second District, may be fairly estimated by comparing the assessed valuations. The Districts discussed in what follows were taken from the Districts in a municipality which, by chance, happened to be first on a list of municipalities whose schools were included in the larger survey.

District 1 is a large district of 22.5 sections with an assessed valuation of \$138,445. The school tax mill rate is 9.6 yielding an income of \$1,329.07 from local taxation. The enrolment in this school is 21 with an average attendance (of enrolment) of 14.11. The school was operated for 209 days. On the 'pupil-day' basis the cost per 'pupil-day', including the government grant was 54.2 cents.

District 2 is a smaller district of 19.5 sections while District 3 contains only 12.95 sections. Comparative figures for the

three districts are given in Table 2 below :

TABLE 2.

Dis.	Assessment	Rate	Yield	Enrol.	Average Atten.	Days Open	Pupil-day Cost
1	\$ 138,445	9.6	1329.07	21	14.11	209	54.2 ¢
2	123,635	6.3	778.90	31	20.10	197	32.
3	71,840	18.4	1521.85	23	18.83	178	33.5

NOTE :

District 1 had a debenture charge of \$ 261.85 which has not been included in ascertaining the 'pupil-day' cost. District 2 had no debenture charges while District 3 had a heavy debenture charge of \$ 414.60 which was not included in the process of estimating the 'pupil-day' cost of operating. The government grant to these schools would not vary by any considerable amount. District 3 would suffer a reduction in its grant of 22 ¢ per day owing to the fact that the school was not kept open for the full year of 200 days.

Comparative Resources for Local Taxation.

The average assessed land valuation per teacher in the province is \$ 180,000. The average assessed valuation per teacher of the seventy-seven districts examined is \$ 177,360.22. The range of valuations around this average is from \$ 61,760 to \$ 310,084 .

TABLE 3.

Assessment	Mill Rate	Taxes per quarter	Expenditure
\$ 310,084	6.	\$ 20.22	\$ 1862.31
267,260	4.5	15.62	1693.00
259,510	4.8	19.46	1822.05
254,196	7.2	22.88	2077.44
251,918	5.3	16.69	1750.84
98,610	12.	18.49	1470.97
95,435	9.5	16.79	1437.13
85,084	12.	18.23	1366.97
83,730	13.9	12.65	1424.36
71,840	18.4	26.97	1537.21

The average expenditure per district of the first group was \$ 1841.12 .

The average expenditure per district of the second group was \$ 1447.33 .

The average cost of maintenance for the province (less debenture payments) is \$ 1526.67 .

Table 3 indicates the wide divergence in assessment valuations, in mill rates, in taxes per quarter-section, and in the amount of expenditure in support of the schools.

ANALYSIS OF EXPENDITURES.

The following Table gives statistics compiled from figures secured from sixty one-room rural schools which were in operation for 190 days or more during the year, that is, were in operation for a full school year or practically so. These are the average amounts for expenditure items listed. (Debenture payments omitted.)

TABLE 4.

Teacher's Salary	\$ 1,060.53	8 under \$ 900	8 over \$ 1,200	
Grounds	23.90	13 " 10	10 " 35	17 report 0
Buildings	97.22	13 " 40	10 " 200	15 " 0
Furn. & Equip.	32.10	6 " 20	7 " 70	23 " 0
Library	9.48	5 " 10	7 " 20	24 " 0
Miscellaneous	348.59	12 " 200	13 " 500	

Total Average \$ 1,571.82 (Average for the province - \$ 1,526.67)

Exclusive of any debenture payments, out of sixty districts the expenditures for the year

of 5 districts were less than \$ 1200.00

of 13 " " more " 1800.00

and of 5 " " more " 2000.00

The itemised statement of the first group's expenditures follows : (Expenditures less than \$ 1200.00 per annum.)

TABLE 5.

No.	Salary	Open	Enrol.	Grds.	Bldgs.	Equip.	Library	Deben.	Misc.
A	820.00	236.5	21	19.62	77.65	20.00			113.15
B	825.00	205.5	34		140.50				137.96
C	950.00	210.	10	5.00	10.00	47.00	10.00		107.15
D	850.00	194.	21	71.25		65.77	10.00	284.00	118.59
E	971.04	228	30	20.00			10.50		172.89

The itemised statement of the expenditures of the third group follows : (Expenditures more than \$ 2000.00 per annum.)

TABLE 6.

No.	Salary	Open	Enrol.	Grds.	Bldgs.	Equip.	Library	Deben.	Misc.
F	1850.00	196	25	89.75	139.05	337.76	20.00		547.02
G	1329.05	211	41	17.75	282.75			512.56	643.14
H	1145.71	204	17	60.00	401.35	28.20	14.82		593.60
I	1115.00	210	30	278.61	410.25	39.20	10.60	216.00	504.72
J	1600.00	210	24	9.55	181.55		20.00	448.00	365.45

The departmental grant in each case was \$ 1.50 per diem for schools in operation from 200 to 210 teaching days (inclusive) . The 'per diem' grant for schools in operation less than 200 teaching days is reduced by as many cents as the number of teaching days on which the school is legally open is less than two hundred. The maximum reduction in grant is fifty cents a day. A school receives no grant for days open more than two hundred and ten during one school year.

The above Tables indicate the excessive range of costs for operating schools intended to provide similar services. The average attendance based on the enrolment varies from about 50 % to almost 80 %. These attendance averages indicate the use that is being made of the facilities provided. The taxation burden varies from \$ 9.37 per quarter-section to \$ 25.18 per quarter in the effort to meet similar demands for educational services.

Thus there is, on the one hand, on all points, a wide divergence in expenditures and services, and, on the other, an equally wide divergence in resources or ability to meet expenditures. It is worthy of note that there is no consistent ratio between "ability" and "expenditure". Poorer districts will commit themselves to relatively heavier expenditures in order to provide

equally good educational facilities. Wealthier districts will, sometimes, pare expenditures to a legal minimum.

The one consistent feature running through the whole sea of inconsistencies is the 'per diem' government grant. To rich and poor districts alike the flat grant is paid. The poor willing district and the rich niggardly district share alike in the provincial support. The use of facilities as indicated by attendance percentages does not affect the amount of the grant. Neither the kind of teacher nor the length of service are taken into consideration. The only variation in the grant is that mentioned, based on variations in the number of days on which the school is officially open, with a maximum variation of fifty cents a day. Special aid is given to certain services such as transportation, science equipment, etc.

According to this system now in operation for the support of rural elementary education two districts faced with the task of keeping in operation a one-room school and keeping it efficient may have vastly different burdens. That the system is inequitable must be obvious. The district with an assessment valuation of \$ 98,000.00 has to carry the same burden as the district with a valuation of \$ 180,000.00 and both will receive the same amount of government support.

Districts in one Municipality Compared.

TABLE 7.

No.	Open	Enrol.	Salary	Current Expenses	Deben.	Assessment	Mill Rate	Yield
1	209	23	1067.00	240.69		139,100.	4.	556.40
2	177	27	910.70	560.27		98,610.	12.	1183.32
3	200	36	1140.93	168.95		190,900.	5.5	1049.95
4	208	36	962.00	432.97		219,395.	4.5	987.28
5	211	41	1329.05	943.64	512.56	167,120.	14.	2339.68
6	210	28	1000.00	276.37		109,600.	9.5	1041.20
7	206	52	1350.00	629.82		173,400.	9.	1560.60
8	205	34	825.00	278.46		150,150.	7.	1051.05
9	205	23	1000.00	362.50	468.50	117,600.	14.	1646.40
10	204	25	1130.18	312.16	185.09	160,200.	8.	1281.60

This municipality lies in the region between Hudson Bay Junction and Prince Albert in north-east Saskatchewan. It is a well-settled district and the entire municipality is organised into school districts. In general, it may be noted that most of the districts are carrying no debentures - that the enrolment in each school is fairly high, and that the schools were, with one exception, open for the full teaching year. Thus the government grants to all districts would be approximately the same. As the districts are all entirely within the boundaries of the municipality the basis for assessment valuation is the same for all. The difference in assessed valuations for the districts is partly accounted for by the varying number of quarter-sections incorporated in the districts. The smallest district has 51 quarters while the largest has 88. Location, fertility, and other natural qualities are also factors in determining assessed values but all land is subject to the same standards or scale of valuation

for assessment purposes.

Districts 1 and 4 are in receipt of a special income in the form of a flat rate tax on elevators which appreciably lowers the mill rate on the assessment value of the district.

1.

If we compare Districts 2 and 3 we notice, first, that the assessed value of #2 is slightly more than half that of #3 while the mill rate of the former is almost double the rate of the latter. As both districts are in the same municipality the assessed values afford a safe guidance as to the resources of each district or their "abilities". Neither district has any debenture payments to make so that these two districts provide a good case for comparison. Current expenses were the full burden of each. District #2 lost a portion of the government grant amounting to 22.5 cents a day for the period that the school was in operation but was compensated by saving the teacher's salary for 22.5 days and also by paying the teacher a lower rate of salary - about sixty cents a day less than district #3 paid its teacher. The account for repairs, supplies, equipment, etc. was high for #2 and low for #3.

The significance of all this is that the taxpayer in #2, called upon to support a school giving practically the same service as the school in #3, paid an appreciably higher tax. In district #2 the school tax is almost \$ 19.00 per quarter-section while in district #3 it is slightly over \$ 13.00 per quarter-section. There is here, not only the apparent absolute extra burden on the former quarter-section but there is also the less discernible extra burden in that the former quarter, either because of its poorer location or other natural disadvantage, is not so productive a resource as the latter quarter.

Hence, in equity, or on the basis of ability, the actual tax in dollars per quarter-section should, indeed, be less on the lower assessed land than on the more productive acreage. As the situation is district #2 has to put forth at least twice the effort of district #3 to support a similar educational service.

11.

For further comparison consider the two districts Nos. 6 and 8. Here two schools are being maintained which are giving almost identical service from the standpoint of days in operation and enrolment. The current expenses in the one case were only two dollars greater than in the other. One district 'saved' an appreciable amount on the item of 'salary'. The relation between salaries paid and services rendered is a matter for an investigation along another line but it may be said here that, as a general rule, a district that is willing to pay a higher salary will secure the services of a more efficient teacher.

It would appear, then, that the school-tax burden on individuals in the two districts should be approximately equal per section or quarter-section.

District 6 has an assessment valuation of \$ 109,600 which is about two-thirds of that of district 8 which has a valuation of \$ 150,150. In addition to this extra amount of resources from which to draw, district 8, by underpaying its teacher, gains a further advantage. The final result is that a quarter-section in district 6 bears a school-tax burden of \$ 14.46 while a quarter in district 8 bears a burden of \$ 10.75 . There is, thus, a direct advantage in favor of the latter of \$ 3.71 . But the point raised in the former comparison is again applicable.

The average assessed valuation in #6 is \$ 1522 per quarter-section as against \$ 1922 per quarter in #8 . These figures represent, approximately, the productive values of quarter-sections in each district. It is obvious that the poorer quarter will be bearing a heavier burden, that is, will have to put forth a greater effort, even if the tax in dollars and cents were the same in both cases. Still greater, then, is the relative burden on the poorer quarter when the absolute amount of the tax is greater on the poorer quarter than on the more productive.

111.

A third and more general comparison might be made between districts Nos. 5 and 8.

Here we have two districts in the same municipality, which, in some respects, are at the opposite ends of the financial scale.

District 5 is carrying a heavy debenture load. Deducting for this we find that it still has a school-tax mill rate of 11 mills on an assessment of \$ 167,120 . (The actual rate is 14 mills to cover debenture payments.) District 8 has no debenture payments to make and sets a school-tax rate of 7 mills on the lower assessment of \$ 150,150 . District 5 paid its teacher \$ 1329.05 while district 8 paid a salary of \$ 825.00 .

The average assessed value per quarter-section in #5 is \$ 2289 which means that the school-tax per quarter (debenture charges not included) is \$ 25.18 as compared with a charge of \$ 10.75 in district 8 where the assessed value per quarter is \$ 1922 and the school-tax rate is 7 mills. This appears to be a case of the 'will' and the 'ability' being present in the one district to a much greater extent than in the other, to the greater advantage, in the one case, of the children first, and of the state ultimately.

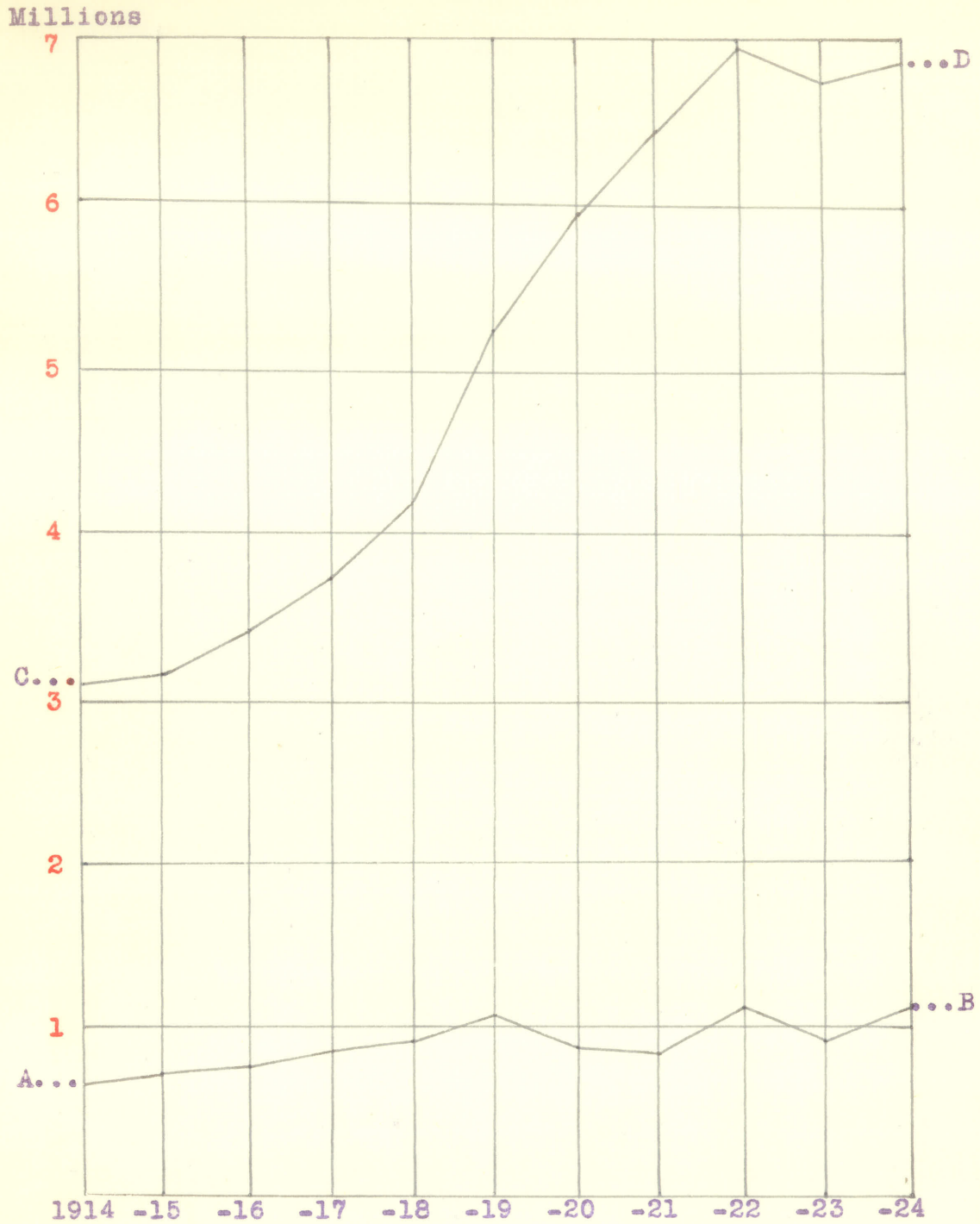
The only limit to the number of such comparisons that might be made is the number of rural school districts in operation.

The interest of the state in such comparisons is the light thrown upon the subject of "equality of opportunity" and the equitable distribution of the burden of supporting a system of education in which the state has a prime and vital interest.

It would appear to be the case in Saskatchewan as Dr. Works reported of Manitoba, " that the most pressing problem that the province faces is that of placing its support of schools on more equitable bases than those that exist at present."

Analysis of Sources of Revenue.

FIGURE 1.



A...B represents the government grant for each year.

C...D represents the total expenditure for each year.

The difference is the amount raised by local taxation.

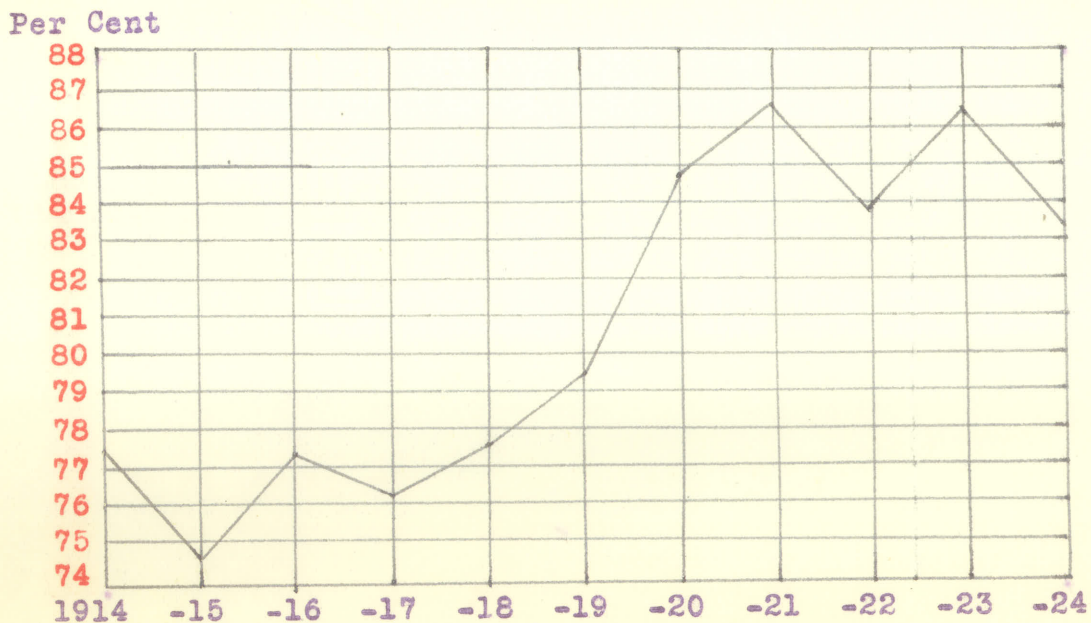
The graph lines in Figure 1 indicate the variations in school expenditure from 1914 to 1924. The total expenditure in 1914 was \$ 3,100,043.75 . The year 1922 witnessed the maximum cost. In that year expenditure had increased to the sum of \$ 6,913,256.76. There was a slight decrease in 1923 followed by an increase in 1924 to \$ 6,749,663.13 .

In 1914 the provincial government carried as its share of the load the sum of \$ 692,776.13 . There followed a slight yearly increase till 1919 when its share amounted to \$ 1,066,111.95 . A sharp decrease in the amount till 1921 was followed by a sharper increase to the maximum in 1922 of \$ 1,125,902.93 corresponding to the maximum, in that year, of the total expenditure. A drop in 1923 was followed by a rise in 1924 to the sum of \$ 1,108,060.24 .

A comparison of the graph lines shows that while the total expenditure increased enormously during the decade in the absolute amount, the provincial share of the burden did not vary proportionately.

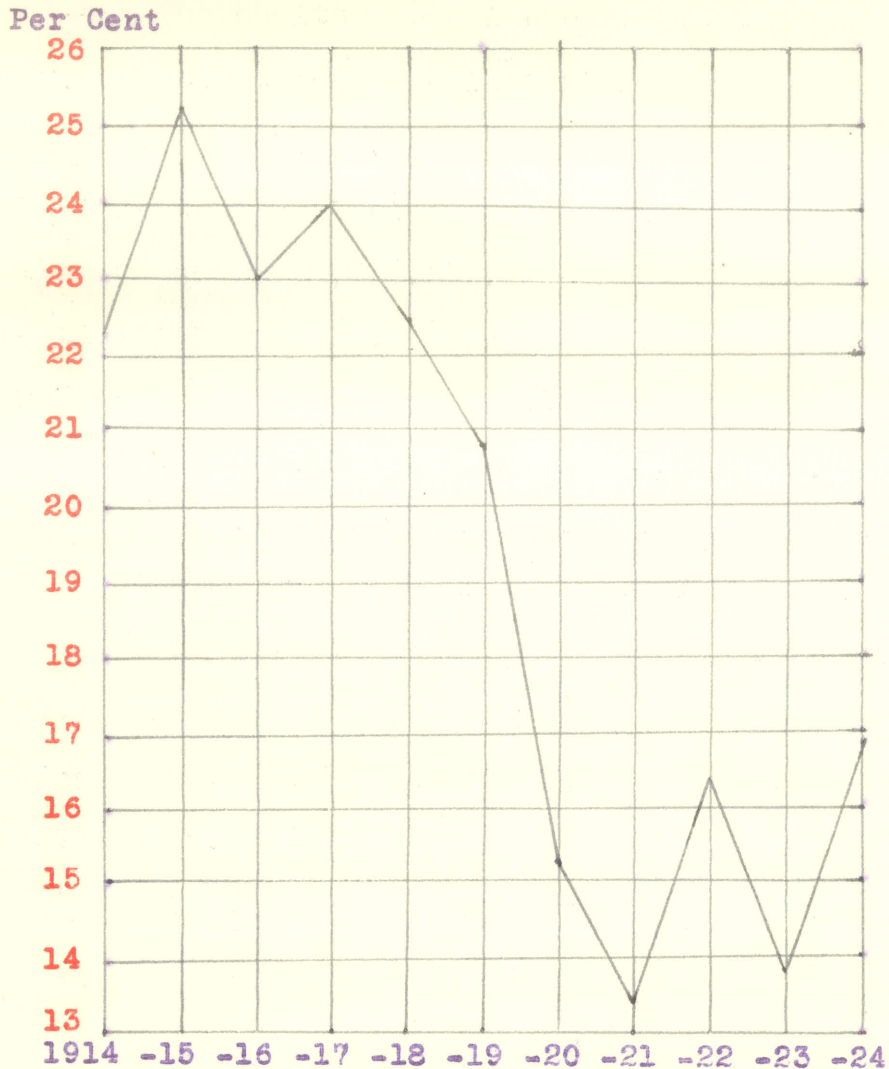
Ratio of Amount Raised by Local Taxation
in total expenditure for rural education for years 1914 - 1924.

FIGURE 2.



Ratio of Government Grants
in Total Expenditure for Rural Education for years 1914 - 1924.

FIGURE 3.



The variation in the graph line is due to the disproportionate variations in the amounts raised by government grants and by local taxation. For example, the 1919 grant was larger than that of 1918 but local taxation revenue was much greater in proportion so that the percentage of the government grant out of the total was reduced. This graph should be studied in connection with the graphs in Figures 1 and 2 and Table 8.

TABLE 8.

Year	Total Expenditure	Government Grant	Local Taxation	Per Cent by Local
1914	\$ 3,100,043.73	\$ 692,776.00	\$ 2,407,266.88	77.65 %
1915	3,150,153.64	790,968.56	2,359,185.08	74.89
1916	3,442,602.69	791,268.56	2,651,334.13	77.02
1917	3,734,300.72	895,996.98	2,838,303.74	76.01
1918	4,196,321.50	944,507.15	3,251,814.35	77.50
1919	5,166,052.71	1,066,111.95	4,099,940.76	79.36
1920	5,970,363.01	915,058.00	5,055,278.01	84.69
1921	6,403,223.94	862,373.31	5,540,850.63	86.53
1922	6,913,256.76	1,125,902.93	5,787,353.83	83.72
1923	6,782,503.29	939,269.45	5,843,233.84	86.15
1924	6,849,663.13	1,108,060.24	5,741,602.89	83.09

Table 8 gives the total expenditures in dollars in each year of the decade with respective shares of the province and local districts. The last column indicates the percentage of the total that was borne by the local districts in each year.

The yearly average cost for the decade was \$ 5,064,407.65 . The yearly average share of the province was \$ 957,481.20 . The graph line in Figure 2 indicates that the percentage borne by the province in 1914 was 22.35 % dropping, with fluctuations between a high point in 1915 of 25.11 % and a low point in 1921 of 13.47 % to 16.91 % in 1924.

The graph line in Figure 3 shows the natural result of the variation of the provincial share of the burden. In 1914 local taxation accounted for 77.65 % of the total cost. Its minimum share of 74.89 % was in 1915 which rose to its maximum of 86.53 % in 1921. In 1924 local taxation bore 83.09 % of the cost.

In absolute amount the share of the province increased from \$ 692,776.85 in 1914 to \$ 1,108,060.24 in 1924. At the same time the share of local taxation rose from \$ 2,407,266.88 in 1914 to the sum of \$ 5,741,602.89 in 1924.

By the year 1924 the province had increased its grant by 59.94% but during the same period the burden of local taxation had risen by 138.51%.

Thus we see that the province, while somewhat increasing the absolute amount of its share, is decreasing its relative share of the burden of educational cost. In a new and developing country educational costs will rise. This has been markedly so in Saskatchewan during the last decade but the movement in extension of educational facilities has been accompanied by a decreasing share of the cost being borne by the province as a whole.

The question, then, naturally arises whether the province provides as large a percentage of the total costs as the nature of the subject and the best interests of the state warrant. Should the province bear a proportional or increasing share in the increasing total cost? Should the greater part of educational support fall, as at present, on the local taxpayer, or should the province bear the greater part?

The concensus of opinion among educationalists seems to be that some portion of the burden should be placed on the local district for the purpose of fostering and maintaining local interest in school affairs and a sense of responsibility for the conduct and efficiency of the schools.

On the other hand, to anticipate some of the necessary argument, it appears that a province-wide system of support is more democratic and equitable. Education is certainly carried on for the benefit of the whole state and neglected education in any one

community lowers the standard of the whole state and may entail a greater financial burden in penal and corrective institutions than the preventive educative processes would have cost.

The question of the relative shares to be borne by the state and by the local district is, to some extent, a matter of opinion. It does, however, appear to be necessary and just : (1) that, because of the importance of education as a state function, a much larger share of its cost should be assumed by the state : (2) that radical changes are necessary in the present system of financial support to provide, on the one hand, that "equality of opportunity" which Page called "the basis of social progress", and, on the other, that "ability" and efficiency should determine grants to districts rather than geographical boundaries thus leading to an "equalisation of burden".

In support of the above views there may be summarised certain principles elaborated in the "rural School Survey of New York State". State assistance to the maintenance of district schools should have as its primary objectives : (1) the equitable distribution of the financial burden ; (2) the equalisation of educational opportunity; and, (3) the maintenance and development of local interest in the school, which requires that some portion of the burden be placed on the district.

From all information given in the preceding pages of this Part it can be established that the first two requirements are not being met - are, indeed, far from being met under the present system. To meet these conditions it is necessary that whatever state-aid is furnished should be apportioned in accordance with the two basic ideas of "ability" as indicated by the equalised assessment valuation and "will" or "efforts" as

indicated by statistical information relative to the operation and cost of the operation of the school. At the same time, working from the other end of the financial system, there should be a broadening of the tax base. This 'broadening-out' process may be extended to varying degrees. Its further elaboration and also that of a plan for a better apportionment of state-aid will form the subject of the next section.

PART III.

UNITS FOR EDUCATIONAL SUPPORT

In Part I of this Thesis an attempt was made to treat of the economic principles and theory that should underly a system of supporting education.

In Part II an analysis was made of the situation as it has developed during the operation of the present financial system. Our conclusions were that neither "equalised opportunity" nor "equalised burden" was being attained to any satisfactory degree.

It is the purpose of this Part III to present suggested alterations in the present system so as to afford a nearer approach to the conditions which our previous deliberations have made appear to be desirable. The treatment will be divided into two parts: attention will be directed, first, to a consideration of local taxation for educational purposes, and, second, to the apportionment of Government grants.

Local Taxation - The District.

In order to provide a simple illustration, preliminary to the main argument, attention is redirected to Districts Nos. 2 and 3. Here are two Districts with expenditures of \$1470.97 and \$1309.88 respectively: assessments of \$98,610. and \$190,900. : and tax rates of 12 mills and 5.5 mills. The total expenditures of both Districts was \$2,760.85 and the combined assessment is \$289,510. The expenditures of the two Districts differ very little. The assessed value per quarter-section of #2 is \$1540.78 and of #3 is \$2,386.25 . The great inequality of burdens in this case has been dealt with previously. Suppose now that the two Districts were united and the resources and expenditures were pooled. A tax-rate of about 7.7 mills over the combined District would

meet the costs of operating both schools. The present higher tax in dollars per quarter-section of the poorer District would be lowered, while the tax in the very much wealthier District would, in dollars, be more than the tax per quarter in the weaker District. But the "effort" in each case would be approximately the same. A rate of 7.7 mills would raise the tax in # 3 but this District is more able to bear a tax at that rate than is # 2 able to bear the present tax at a rate of 12 mills. This plan would ensure a continuation of the existing "equality of opportunity" in the two Districts and would introduce an "equitable distribution of the burden" which is not existing at the present time.

Dr. Foght, after his investigation, gave as his opinion, that the local District "as a tax area causes untold injustice and inequality." This investigation bears out that judgment.

The Municipality.

In the Municipality in which the above two Districts are situated there are ten Districts with varying assessments up to \$219,395. and mill-rates varying from 4 mills to 14 mills. All ten Districts are providing approximately the same facilities but the actual burden varies as widely among individual ratepayers as does the assessment valuation or the mill-rate. Hence the attempt must be made to extend the remedy to cover the larger field.

The total assessment valuation of the Municipality is \$1,526,075. The present total yield for all schools from local taxation is \$12,627.51. A flat rate of 8.274 mills over the whole Municipality would bring in the required revenue, or, if debenture payments are deducted a rate of 8.273 mills would be sufficient. This would raise the taxes in dollars in some Districts and lower them in others but the variation would be entirely dependent on the resources of the Districts - their ability to pay as indicated in

their assessed valuations. This equalisation of burden is possible within the Municipality because of the fact that all land within the boundaries of the Municipality is assessed according to the same standard of valuation.

This Municipality is fortunate in that all the land within it is organised into school districts so that all resources are contributing, to some extent, in maintaining education. But this is not the case in many Municipalities. Out of nine Municipalities picked at random in different parts of the Province two had 26 sections each unorganised; one had 71 sections; one had 72 sections; and one had 117 sections unorganised and not contributing to the support of schools within the boundaries of the Municipality through the medium of local taxation. It must not be supposed that these large areas of non-contributing lands are such because they are barren or non-productive. A portion of such lands may be non-productive but there is land in the contributing areas that is waste land and non-productive. Where the population is scanty or where large tracts are owned or controlled by one operator strong resistance is sometimes offered to the organisation of a school district or to the inclusion of such land in an already existing District. Sometimes the ignorance or backwardness of the people will lead them to resist, for as long as possible, the establishment of a District. When such organisation can no longer be avoided a conflict will ensue over the size of the District. Those for whom there is no hope of escape will try to extend the boundaries as greatly as possible. Those on the margin of possible inclusion or exclusion and those beyond will bend every effort to restrict the territorial expansion of the District. So, for various reasons, there are considerable areas in many Municipalities which are not contributing to educational support but which ought to be doing so,

on the simple basis of ability. Thus a further advantage of extending the unit of support to conform to the boundaries of the Municipality would be that the entire resources of the Municipalities would be made to yield a revenue to make up the share of each in the support of a common benefit.

"... The school district has proved too small to be entrusted with final legislation in such matters as taxation. Taxation for educational purposes should clearly be vested in the larger natural unit of civil administration - the Municipality. The injustice of the present inequality can be seen by studying the data of Municipality No..... "

(See Table 7, Page 35,)

".... The district school (in Saskatchewan) is unquestionably responsible for the following fundamental weaknesses from which all are suffering : non-attendance of a large per cent of the school population; irregularity of attendance; and great wastage in attendance due to lack of interest in prescribed school work."

".... If now that artificial division separating these Districts were removed, and all the wealth of the Municipality were equalised for educational purposes, every boy and girl would have reason to expect equalised educational opportunity in uniformly strong, well-paid teachers, long terms, well-maintained school buildings and well-sustained school-work."

The generally-held opinion among educational authorities, the result of investigations such as the present one, observation in the field of practical experience where both schemes have been tried, all agree on the superior merits of the larger area as the basis of local support. The ideal system is more nearly approached. But still its operation extends only over the relatively limited

area of a Municipality. Can it be extended with similarly good prospects of equally beneficial results over the whole Province?

The Province.

Let it be assumed for the moment that the alterations suggested in the preceding paragraphs have been carried into effect throughout the Province. The situation now is that each Municipality raises its share of revenue for the support of all the schools within its boundaries from its combined resources. Each school district in each Municipality will also be entitled to the usual government grants, based on the number of days the school was in operation during the year. Has a satisfactory system been established? A serious and objectionable feature appears upon an examination of the system.

This objection is the same objection which was taken to the local-district system. It is based on a condition which did not exist among the local districts but which does exist among the Municipalities and adds a complicating factor to the situation.

Even as Districts were found to vary in resources so do the larger areas or Municipalities. Lacking more accurate means of measurement this variation in resources is a matter of observation in traveling through the Province. From the standpoint of agricultural fertility and productivity, variations range from the exceedingly rich plains of the south-east to the sandy hills in certain regions of the west and west central.

Further circumstantial evidence in proof of this alleged variation is to be found in the neighboring province of Manitoba where it is possible to make more accurate estimates of resources due to the attempt, there, to work on a basis of equalized assessment valuations. What is true in Manitoba in such a matter, is, at least, suggestive of conditions in Saskatchewan. Reports on Municipalities

leave no room for doubt that there is a wide variation in the resources of Municipalities exactly as there is in those of the Districts.

The fact that there is no system of equalised assessment in operation in Saskatchewan constitutes the complicating factor referred to in the third paragraph above. Our former argument based upon comparisons between Districts in one Municipality was sound, because the basis of assessment was the same for all Districts. But in the comparison of Municipalities an entirely different situation prevails. We may be certain that a variation exists but there is no way of determining this variation accurately or in terms on which calculations may be based. Each Municipality is a law unto itself in the matter of assessment. One assessor may assess at a fair valuation based on selling-value or earning capacity. Another with equally good intent may assess at quite different valuations. This is aside from those cases where a Municipality may very considerably under-assess in its valuations and thus escape its fair share of a flat-rate tax over the Province levied for any purpose by the Government. Thus while the assessed valuations of Municipalities cannot be used as a basis for comparisons of resources or "abilities" it is obvious that there will be a wide divergence in this respect and that for the maintenance of similar services one Municipality will be more heavily burdened than another.

But would an equalised assessment serve any good purpose in developing a sound system of educational finance? It would, primarily, afford an accurate measure of relative ability in comparing Municipalities. It would also ensure that a flat-rate Provincial tax would bear equally on all. Beyond this, as far as education is concerned, it would not directly affect the situation. But

the uses that might be made of a situation which an equalised assessment would create would be of far-reaching importance.

The Manitoba system of supporting education throws some light on this phase of the subject. In that Province there are three sources of revenue: the local-district tax, the municipal tax, and the provincial grant. A recent thorough investigation into the question of school support in Manitoba found that the weakest Municipality made an effort more than nine or ten times greater than that of the strongest. With reference to certain Districts the report states:

"...Their taxes for schools are twice as heavy as the average school tax throughout the Province yet they receive in return privileges of the most meagre character, elementary schools open part time, poorly equipped, and devoid of nearly all the conveniences and opportunities to be found in the excellent schools in the towns and cities."

A comparison of two Municipalities revealed that while one raised between \$200,000 and \$250,000 in taxes for all purposes on a levy representing \$2,000 for each \$100,000 of assessment, another raised less than \$50,000 on a levy representing \$6000 for each \$100,000 of assessment.

The Commission reported that the burden of school support should be distributed more equitably throughout the Province over the rural areas. The gravest inequality both in educational opportunity and in financial burden was found to exist.

It would thus appear, that to extend in Saskatchewan, the taxation unit to the Municipality and to carry on the present system of distributing government aid, will not solve the problem. Equalised assessment, the Municipal unit for taxation purposes and Government Grants are simply means to be used to attain the desired

end. The success or failure in using them will depend on the method adopted and the division of the burden.

What further step, then, can be taken? There remains only the area of the Province itself as the unit on which the burden must be placed.

Before any equitable system of Provincial support can be worked out, it is essential that something approaching an equalised assessment be undertaken. From much of what has been written above, it is apparent that on no other basis can a system of support be erected that will not be seriously inequitable as applied to education.

"...On general principles the whole wealth of the Province should be made available for educating all the youth of the Province. This is both just and right, for in Saskatchewan, education is a civil function, to be supported like other similar functions.....The vital problem is to equalise the tax burdens on all alike and to have the public share its privileges alike."

SUGGESTED SYSTEM OF SUPPORT.

As stated in the last paragraph of the preceding Section, a pre-requisite to a reconstructed system of support, which would be more in accord with modern principles and economic theory, is an equalised assessment valuation of the lands of the Province. Assuming this to be done, who, then, shall bear the burden of the cost of education? Also, if there is more than one contributor, how shall the burden be distributed?

In the first place it may be stated that the Province should be carrying a much greater share of the total burden than it is doing at the present time. This, because Education, as we have seen, belongs to that class of services which is predominantly, if not entirely, of national benefit rather than of local benefit. Exactly what the relative shares of the Province and of the local unit should be will vary somewhat with individual opinions. The graphs in Part II indicate the low proportion borne by the Province at present. It has been suggested that the shares might be based on some such lines as the following plan: The equalised assessment valuation per teacher in the rural schools is about \$180,000. One Municipality may have a per-teacher equalised assessment of \$90,000 and another of \$120,000. In the first case, the Municipality would be responsible for one-half the total cost of maintenance and in the second for two-thirds. The Province would assume the balance of the burden.

Secondly, the local district ought to be abolished and the Municipality or County established as the unit of administration. (In what follows the word "Municipality" will be used to describe the larger area, but it is understood that what is meant is a larger area comprising several of the present school districts). From

the financial point of view alone, such a change would effect substantial gains in net returns for expenditures. This is an important consideration. In the endeavor to lessen the burden of costs of education, authorities may try to increase the efficiency of the system provided by the present outlay or may try to lower the actual present outlay on certain items of expenditures. The possible relief through the second method in rural districts operating alone is not extensive. Usually the effort takes the form of an attempt to reduce the salary of the teacher - apparently thought to be the most vulnerable point of attack.

What measure of relief can be hoped for through this action? The average assessment of a rural district is \$180,000. The average salary is less than \$1100. This represents a tax-rate of 6.11 mills, or about \$13.75 per quarter-section allowing 80 quarters to the District. A reduction in the salary of about 9% or \$100, would lower the tax-rate less than .6 mills or about \$1.25 a year per quarter-section. On the other hand, without any lessened efficiency, the financial saving that would result from operating from ten to thirty schools under one business administration would make an appreciable reduction in the mill-rate by means of quantity purchasing, repairs, etc.

We are not, here, directly concerned with the academic side of the case but it strengthens the claim of the economist on behalf of the larger area to know that the educationalist asserts that there is a far greater measure of efficiency in the educational machinery of the larger area than in that of the smaller area.

What is involved in the change of unit of administration is placing all the schools within the larger area under one Board of Administration and pooling all the resources of the larger

area for the support of all the schools. It is true that this would take away from the small areas immediately surrounding the schools the measure of local independence which they now enjoy and which they seem to value highly. But more equalised burden and more equalised opportunity must, of necessity, mean more centralised control. On the other hand the proposed extension of the unit is not so great that the real advantages of the local district will be extinguished.

It was argued in a previous section (Page⁴⁴) that there should be some local burden for certain stated purposes. Those purposes will be as effectively served by using a Municipality as the Unit as by continuing to use the present local district. No sacrifices of those good services is involved in the proposed change, but advantages are made possible in other directions that could never be accomplished as long as the local district system is maintained.

In theory the "three-unit" system - local district, municipality, province - seems to be unnecessarily complex. In practice, it has not given satisfaction and has been adopted, probably, largely because of the persistence of the local district. A "two-unit" system is much more simple, as, for example, in apportionment of the shares of the cost, and for this reason it offers a more attractive possibility of satisfactorily meeting the need. Hence the division of the burden should be between the municipality and the province.

The first consideration in the disbursement of the government grant should be the equalising of the burden among the Municipalities, for it is of no avail to aim at equality of educational opportunity unless some approach to equality of burden can be assured. This would be effected by apportioning the grants in pro-

portion to equalised assessed valuation per teacher. By dividing the total assessment by the number of teachers the average assessed valuation per teacher could be ascertained for the Province. Some Municipalities would have an assessment per teacher somewhat in excess of the average. To these there would be no grant on this basis.

If the equity of taxing wealthier Districts to support education in the poorer Districts is questioned there is only one answer.

"... The maintenance of the minimum school facilities that a Democracy considers essential to its economic, social and governmental welfare is not to be regarded as entirely a local responsibility. It is rather a joint enterprise which the local unit and the province are concerned with, the obligation resting on the provincial government to so organise its resources that there shall be no marked disparity in school conditions or tax rates for the different communities of the province. The obligation rests on all the wealth of the province to bear its fair share of the burden of providing all the children of the province with the minimum facilities that are accepted as being essential."

Another writer states the case in the following quotation:

"... Modern life makes imperative greater collective action and increases the duty and responsibilities of the State. Greater relative and absolute portions of the national income must be devoted to collective betterment. The school is one of the chief instruments by means of which the duty of the State in modern industrial society is discharged."

According to the 1924 Report of the Department of Municipal Affairs the total taxable land assessment in the rural Municipal-

ities was \$868,416,780. The Report of the Department of Education for the same year shows that there were 4,735 teachers employed in rural schools. This gives a per teacher assessment of \$180,000. (It is being assumed that there is an equalised assessment valuation). In the list of Municipalities coming under examination at this time one has a per-teacher assessment of \$152,607.: a second of \$216,890.: and a third of \$240,000. Under the proposed system the first Municipality would receive government aid to cover the difference between the yield on an assessment of \$152,607 and the yield on an assessment of \$180,000.

A further disbursement of government support should be based on the reports of the provincial Inspectors and the Secretaries of the Districts. The number of days that the school is officially open should not be the greatest factor in determining grants to Districts though it may be one. More important is the use made of the facilities provided. This is indicated by the enrolment and percentage of attendance which should determine a portion of the grant. Another important factor in determining the grant should be the standing of the teacher and length of service in the school. One of the most serious weaknesses in the educational system is the rapid change of teachers. The provincial grant should be so apportioned as to put a premium on continued service in one school. Recognition should be made of higher academic and professional standing of teachers. By a graduated scale in grants Districts could be encouraged to employ and retain the best professional services available. Further grants should be based on such items as playground equipment, conditions of school grounds and buildings, library, teaching supplies, etc. By such means encouragement will be given to the maintenance of a high state of efficiency through the whole system.

CONCLUSION.

It is not claimed that such a system would be free from imperfections judged by the standards we have set up. But it is claimed that it would go far to remove existing inequalities in "burden" and "opportunity" and provide much superior and more efficient educational machinery.

The importance of solving the problem of properly developing the "key" industry of Canada justifies the attention given to the subject and the attempt to make some contribution to its solution. With the growth of democratic institutions the importance of education grows in something like geometric ratio. Additional power placed in the hands of popular assemblies carries a danger, the only antidote for which is education.

It is true that the specific problem dealt with in this Thesis is a local one - a provincial one. But it is also true that it is a part of a similar problem of world-wide scope.

"Human history becomes more and more a race between Education and Catastrophe." Education is the basis of the success of every great movement in the world today. The hope of world peace is not in the machinery of a League of Nations but in peoples educated much beyond the state of the average individual of today.

"...We now have a vision reaching beyond the confines of the State. It is a world-wide system of Education whereby the wasteful folly and cruelty of warfare and of rivalry among nations may be brought to an end and the common interest of mankind in their common human adventure be brought under a common control."

It may be a far cry from our present problem to this vision of a more ideal state. But one broad principle underlying the process of accomplishment is state responsibility in education.

In so far as the Province of Saskatchewan recognises and acts upon this principle, it is making its contribution to the greater movement as well as establishing its own educational system upon such a basis that it will produce more economical and more efficient management and will more nearly realise the ideal of an "equal opportunity for every child."

SOURCES OF QUOTATIONS.

Page

- 5 Nicholson - Principles of Political Economy.
6 Nicholson - Principles of Political Economy.
7 Marshall - Principles of Economics.
8 Nicholson - Principles of Political Economy.
10 J. S. Mill - Essay on Representative Government.
11 Adam Smith - Wealth of Nations.
12 J. S. Mill - Essay on Representative Government.
12 H. G. Wells--Outline of History.
14 Life and Letters of Walter H. Page.
17 J. S. Mill - Principles of Political Economy.
18 Marshall - Principles of Economics.
20 M'Kechnie - The State and the Individual.
48 Foght - Survey of Education (Saskatchewan, 1917).
50 Foght - Survey of Education (Saskatchewan, 1917).
53 Report of Education Commission (Manitoba, 1924).
54 Report of Education Commission (Manitoba, 1924).
58 Report of Education Commission (Manitoba, 1924).
58 Morgan - Education and Social Progress.
60 H. G. Wells- Outline of History.

ADDITIONAL REFERENCES.

- Public Finance.....Bastable.
Essay on Population.....Malthus.
Introduction to Economics,.....Seager.
Principles of Political Economy.....Sidgwick.
Outline of Provincial and Municipal Taxation
in Saskatchewan.....A. E. Clark.
Annual Reports - Department of Municipal Affairs -Saskatchewan.
Annual Reports - Department of Education - Saskatchewan.