

# Debunking tuition hike myths

by Alex Boston

"Tuition hikes, not taxes, should feed universities." This headline from *The Financial Times* takes a back seat as the university community launches itself into the ritualistic tuition fee debate. While the tuition/tax question is obscured and in fact never played out at these energetic local quarrels, the Feds are atop Parliament Hill sacrificing pawns with cool calculation on Canada's social chess board.

## FEDERAL SNOWJOBS

Unfortunately little energy is expended in challenging the yearly cuts imposed by Ottawa. Since '86 the cumulative loss to post-secondary education is \$4.8 billion. The university constituencies, and the general public for that matter, have reconciled themselves with the government "fiscal responsibility" snowjob.

Canadians are led to believe social programs and education have generated a \$445 billion debt. However, a Stats Can study of federal spending and revenue over 15 years challenges this notion. This 1991 study explains that 44 per cent of the debt is the cumulative result of tax breaks to the rich and corporate sector, 50 per cent is due to excessive interest payments set by the federal

As this corporate mentality dominates daily discourse, the assertions begin to be embraced at face value and the theology of competition manifests itself in every dimension of our lives.

## CANADA & THE WORLD

It is broadly accepted that global competition is dictating Canadian taxes are too high and social/education spending needs to be reduced. Canada spends the equivalent of 21 per cent of its GDP (Gross Domestic Product) on social programs compared to a 25.6 per cent average within the rest of the OECD (Organization for Economic Cooperation and Development—the industrialized countries). Thirty per cent is the average in the European community.

## Expectations by the board for restored funding to universities are fantasy

The pressure to cut social spending is imposed by the corporate sector which aspires to greater profits and bigger markets and has chosen to integrate Canada into the US economy which spends less on social programs. If the current pattern continues social spending will be reduced to 17.3 per cent of GDP by the year 2000, only slightly above US projected levels of 16.4 per cent. France and Germany are forecasted to be spending twice that percentage at the turn of the century. Several provinces have already accepted the reality that by this time transfer payments from which education and health are financed will have disappeared. The expectations by members of the board of governors for restored funding to universities are fantasy, especially considering the lethargic manner in which the Feds are challenged by their institutions.

## FREE TRADE & EDUCATION

It would be too easy, too unoriginal and deceitful to blame every Canadian problem entirely on the Free Trade Agreement. Yet, this horror show currently being played, and its equally offensive sequel, the North American Free Trade Agreement, are part of a much broader trend which transfers ordinary peoples' remaining political influence to the corporate sector and relinquishes all facets of society to the whims of market forces.

Canada has established a relationship which necessitates companies operating here to compete on a level playing field with those in the US. Because "the land of the free" has chosen a "survival of the fittest" ap-

proach to social development, one in which broad social well being is not a value, less money is needed to maintain their system. As the US dictates the terms to our relationship and their social programs cost less, environmental, safety and health standards are lower, we have entered a process which will tend to harmonize the two systems.

It is predominantly in this way education is indirectly but very strongly influenced by the deals. The effects, however, should be understood as part of a much broader structural process which manifests itself through the theology of competition. Like any religion, in practice it is full of contradictions, especially for the rich and powerful.

## BOG POWER

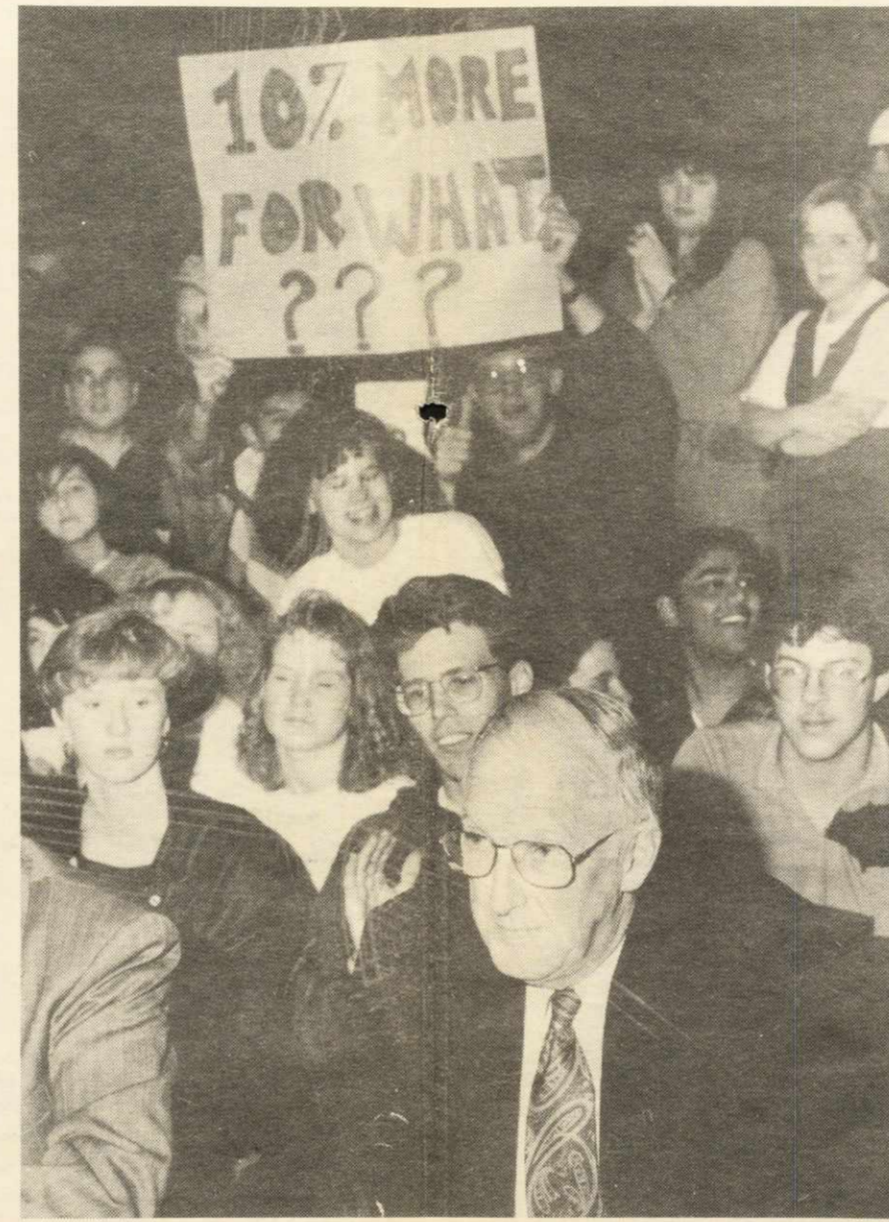
It is not shocking therefore, when members of the board of governors look cockeyed at students stoutly explaining their financial hardship. Most of the BOG are from the upper income group which has had a five percent increase in their national share of the income in the last 15 years. A National Council of Welfare study indicates that in the last decade they have also received a six percent cut in taxes. Middle income earners in contrast have had a 10 percent increase in taxes, and the working poor have had a 44 percent increase. On top of that the salary of an average worker has declined by three percent in the last 15 years.

It is sadly ironic as lower and middle income earners are subsidizing government programs at greater and greater rates they are less and less able to access them. Attempts by university dictrators (a hybrid cross between a dictator and administrator) to construe tuition experiences here, in other parts of Canada or the rest of the world in such a way to suggest fees have a negligible impact on accessibility are sheer manipulation.

## DEBUNKING ADMIN MYTHS

There is one lesson clearly written in brown and white which shatters the myth, tuition is not a barrier. Just twenty years ago when Canada totally undermined its treaty obligation to provide education to natives, it would be a wicked challenge to find one of the fewer than one thousand native students studying at Canadian universities. In the early seventies Canada implemented a program to cover post-secondary costs. Today, although the Feds are beginning to shirk their responsibility, there are over 22 000 natives presently enrolled. Certainly, social barriers can not be ignored and in fact are much more destructive, yet the financial ones are identifiable, significant and more easily broken.

The assertion by dictrators that raising tuition fees will only ensure students pay the percentage recommended by various commissions and



## ...redesigning post-secondary education to fit into a sterile, efficient, upwardly mobile, sci-fi romantic vision of the future.

reports, most unnotably the Stuart Smith of last year, is at best a partial truth, at worst a partial lie. Smith and other snivel servants also recommended student financial assistance be significantly increased. As bursaries in this province have gone up 35 per cent to \$2 300 in the last 12 years (almost enough to pay for full time fees in arts in 1991 fees) tuition has increased 296%. Of course you only get this amount if you qualify for a full student loan of \$3360 which is assessed at '84 cost of living levels.

## CORPORATE FREELLOADING

The dominant rationale behind tuition fees, is students, as the ben-

ally in line with our free (traid partner, but lower than Britain (9.8 per cent) and substantially less than Japan (23.6 per cent).

To borrow from the rhetoric of the theology of competition, the market (corporate sector) is receiving a highly value-added product (students) for which it did not pay. Someone's getting ripped off—Canadians! Above being unfair and contrary to the spirit of capitalism, it is outrageous when assessing the political influence of the corporate sector on public policy, especially education.

## PRIVATE POLICY OR PUBLIC PAGEANTRY

The phlegm which last year's Tory Crown speech coughed up was about a "cradle to grave learning culture" which Canadians must foster to remain "globally competitive". These cliches were paving the way for the "Prosperity Initiative", an inquiry into

## As bursaries have gone up 35% tuition has increased 296%

how Canadians "can not merely survive in the new global economy but to thrive in it; not to turn from competition but to engage in it."

I participated in Halifax's "broad" consultative process with a group of 35 others, predominantly lawyers and business people from large regional firms. Except for the one female lawyer, they all sported really nice suits. Their average age was a mean 40. After redesigning grade school and post secondary education to fit into a sterile, efficient, upwardly mobile, sci-fi romantic vision of the future, the largest stock broker of this side of Montreal expressed his pleasure with the discussion, the people and commented on the amazing diversity represented in the group. I thought out loud, "he must be talking about the colour of their ties."

This charade was another way in which the implementation of a corporate vision of Canada could be justified. Although Secretary of State takes care of education, this initiative came under Michael Wilson's Trade and Industry portfolio. It was co-chaired by David McCamus, head of Xerox Canada. He also chairs the Corporate Higher Education Forum, a national coalition of 32 university presidents and the CEOs of 38 major corporations. Its manifesto "Partnership for Growth" has no qualms about government underfunding policies—they allow free market forces to link business with the university.

## SELLING OUT THE IVORY TOWERS

Because of a federally imposed funding crisis, supported by the corporate sector, university dictrators are increasingly cooperative in conforming to their interests. Its a sad statement when a university em-

braces Hydro Quebec as it pops \$2 million for their environmental research chair. The only more perverse move University of Quebec could have made was offer them a chair in Cree studies.

Attributing responsibility to the crisis in university funding and its



companion corporatization is not merely a Tory bashing exercise. In fact the Liberals initiated the trend. And perhaps the single most outrageous encroachment of the private sector into post secondary education has been supported by the NDP in Ontario. While slashing student assistance and operational grants to universities, it offered \$15 million and a smaller amount of permanent funding for the establishment of Canada's first private university. Tuition for the 200 elite students at the International Space University would run at \$25 000. It is bankrolled by the US arms industry and also supported by some of Canada's biggest arms contractors. Its board resembles a *Who's Who* to the US military industrial complex, including former secretary of the US Air Force and president of arms giant, MITRE. Other members include representatives of the Business Higher Education Forum. This is the US model on which "Canada's" Corporate Higher Education Forum was based.

Its disappointing, that even in its manipulative expression Canada can not be original. The Business Council on National Issues which bought last election's pro free trade advertising campaign is strikingly similar to the Corporate Higher Education Forum which is a copycat of the US Business Roundtable. Even the "Prosperity Initiative" was based on "America's Competitive Challenge" released in '83. It was incidentally chaired by the former head of Xerox USA.

## WINDS OF CHANGE

Just like the Cold War, in which all the bloody battles were fought on Third World fields, a similar strategy is employed at Canadian universities to keep Ottawa sanitized and incite students to duke it out with the board and ultimately their dictrators. Certainly our universities must be administered with greater care, faculty have to make a greater commitment to teaching and thinking critically, students to learning and effecting change; however, to confine the tuition fee debate to what is happening at this university and pointing big fingers is pissing in the wind.

Students, faculty, board members (not an unreasonable amount of

whom express a genuine note of concern), and perhaps even enlightened administrators need to redefine the university's role in the realm of social, not corporate development. By consolidating energy and resources and joining broader efforts with organizations and individuals across the

## Where the Feds Can Find it

Fair ways to generate revenue & reduce the deficit (Annual Savings in Billions \$)

- Eliminate the business meals & entertainment tax deduction \$1.0 B
- Join most OECD countries and introduce a "net-wealth tax" \$1.0 B (0.5% on appreciation of net worth of wealthiest 5-10% of Canadians)
- Join virtually all other OECD countries and introduce an inheritance/wealth transfer tax \$2.0 B (transfers of property and other taxes through gifts or death on the wealthiest 5-10%)
- Move closer to other OECD countries in chargin a minimum corporate income tax \$1.0 B
- Reinstate progressive income tax rates for the wealthiest 5% of Canadians, and another for the richest 2% \$2.8 B
- Eliminate the special treatment for people who earn income from capital gains \$2.0 B
- Cut out the tax subsidy on manufacturer's profits \$1.0 B
- Reduce the Bank of Canada rate by 2 per cent \$3.5 B (still leaving it higher than its US counterpart)
- Cut tax subsidies to real estate developers \$ Bs
- Stop tax subsidies to business for government lobbying costs \$ Ms
- Stop tax subsidies to political party, particularly campaign donations \$ Ms

"Those who have more than they need are thieves." -Gandhi



I'm so sorry parasites... I mean, students. The government simply has no money. Heh.

government and to which they borrowed against, and a paltry six percent of the debt can be attributed to social spending. Since '88 federal policy which maintained interest rates five per cent above US levels added \$40 billion to our debt.

Playing the role of obedient bishops preaching the "theology of competition" the moves of our politicians are largely shaped by corporate kings. Global competition, efficiency, prosperity are entrenched in this gospel which permeates the political economic fabric of Canada, in fact the entire continent, right through to its Ivory Towers. Even most academics seem to have accepted the faith which is strikingly narrower than their pointy heads.