

Quarter-million deficit for SU

by David Oke

This year's Students' Union budget will have a deficit of over one-quarter of a million dollars according to SU vp finance and administration Eileen Gillese.

Plans to build up reserves of capital have been scrapped as these reserves will now be needed to meet operating costs, she says.

This year, \$695,000 was collected in Students' Union fees. Of this, \$250,000 was committed to the mortgage payment on SUB.

Three reserve funds were planned: a fund to cover unexpected operating costs of \$48,000, another fund of \$60,000 to cover capital expenditures, such as furniture for SUB and a fund of \$100,000 in anticipation of a future expansion of SUB.

The sale of HUB

Negotiations to sell HUB to

the university administration for the fee of one dollar were concluded by Council this June. Deficits and the management of this building are now being supported by the university.

HUB was initially conceived in the 1969-70 academic year. The Students' Union then wanted to provide low cost housing that would be an alternative to the residences.

Their plans included a commercial venture that would bring businesses and increased student services on campus. Business rentals, they reasoned, would subsidize apartment rents and hopefully lower the cost to students for their accommodations.

HUB was completed in 1971-72, but SU hopes of financial success were never realized.

In its first year of operation, HUB lost \$444,081. In 1974, \$518,240 was lost. And in 1975, \$285,374 was lost. The 1976 deficit of \$42,000 has now been

absorbed by the university. So far, \$1,247,695 of students' funds have been lost in HUB with \$1,543,000 of the initial capital investment being paid off.

"We used to be one of the richest student' councils in Canada," Gillese told Gateway. "Now we have no reserves at all."

Annual deficits of half a million dollars became an insupportable burden when revenues from student fees averaged \$650,000 each year. In 1974, costs for HUB proved so demanding that the Council of that year declared bankruptcy and needed a \$500,000 loan from the provincial government to continue operations. This year, the loan has been completely paid off.

The two basic agreements in the contract of sale stipulated that the university would hold Students' Union guidelines regarding HUB, absorb last year's deficit (\$42,000), and audit

costs (\$8,000). The university administration is now legally committed to low rental housing for its students.

Apartment rentals in HUB cannot be raised beyond the level needed to meet general expenditures. Neither can they be used to subsidize business rental fees, should HUB's commercial budget run a deficit, according to Gillese. Selling HUB to a private developer was not considered by Council.

Budget highlights

According to the 1976-77 preliminary budget, profits are expected from businesses and these profits are to be used in covering the deficits of other student functions on campus.

The total revenue from SU businesses is expected to be \$132,000. The biggest contributors are: vending machines - \$12,000, SUB recreation facilities - \$35,600 and of course, the pubs. Beer drinkers in RATT will generate \$44,750 for student coffers while the profit from Fridays pub is expected to be \$31,700.

Additional revenues are expected from the university as the Board of Governors recently complied with a request from the SU for a grant of \$31,000. This is the first time such a request from the Students' Union has been fully complied with by the Board.

Administrative costs

Administrative costs of \$173,650 is the biggest single expenditure of the budget. Most of this will be spent to cover salaries. SUB's operating costs will be \$339,400, but high revenues will keep the deficit down to \$45,100.

Student Programs which include the housing registry, grants for faculty functions and special events will run up a deficit of \$116,770. Gateway, whose \$80,000 budget is mostly supported by revenue from advertising, will keep its deficit down to \$6,325.

The greatest problem facing the SU's finance officials now is keeping people within their budgets. In an interview, Gillese stated that many SU businesses last year overspent their budgets, some by as much as \$10,000.

The basic problem has been the inadequate accounting procedures which have remained unchanged for years. Gillese feels that the new computer (Gateway - Sept. 24) will tighten up spending by providing fast and accurate financial data.

"Students' Union budgets have been given liberal budgets in the past," Gillese said. They are liberal no longer. "Instead of having five phones, people are being asked to make do with two. Services that are budgeted to have a deficit are being asked to eliminate the deficit."

The finance and administration vp is optimistic that these and other such measures will restore fiscal health to the SU within the next year.

Education now political says school official

by John Kenney

"The main purpose of education has now become political," said Harold McNeil, Superintendent of city Catholic Schools at a U of A lecture Friday.

McNeil was referring to the revolutionary struggles in China. He visited China in May of this year, with a group of educational administrators.

"We were able to get into many parts of China that many people have never before visited," claimed McNeil.

"Mao inherited a country which had been ravaged by war," began McNeil. He reviewed the period from 1949 to 1958 "when the communist party attempted to unite the country and they tried to adapt the Russian model."

From 1958 onwards was the period of the Great Leap Forward when Mao and the leaders decided to catch up in industrial production. "You have to remember that 80 percent of China is rural," added McNeil.

When the Great Cultural Revolution began in 1965 institutions across the country were closed while students roamed the country forming revolutionary committees.

Students criticised the educational setup, claimed McNeil, for the "technical specialization", the inadequacy of enrolment methods and the inadequacy of the contents and methods of teaching.

Education was termed "too bookish" and they claimed that "marks were creating an elite," said McNeil. "In the true Marxist-Leninist - Maoist society there was to be no elitism," he said, "having marks and creating an engineer was creating an elitist society and leading them down the road to revisionism."

School terms were shortened to five years in primary school, explained McNeil, and secondary and university programs were reduced to three years (except for medicine which is four years.)

"If they finish the first ten years they don't go straight on to university. They must go to work in the fields or 'down to the

country' as they say, to work in a factory, or join the Peoples' Liberation Army," said McNeil.

There are only open-book exams in China. "Questions and answers are made known beforehand and students are free to discuss with other students,"

said McNeil.

"There is a problem - education has been prostituted in the universities," charged McNeil. "That's my point of view and I'm a capitalist - they (Chinese) wouldn't think so."

Noisy washrooms

Noise from washroom renovations caused the disruption and cancellation of some classes in the Fine Arts building last week.

Ray Friedman, a fourth year education student, threatened the university with legal action before the work was stopped.

"Everyone was popping 222s and professors were shouting above the noise to the students," said Friedman.

"The two things that concern me," he explained, "are one, that it had to be done now when it could have been done earlier, and two, that it took a student to go to the registrar's office to get the work stopped."

"The building contract was never completely paid off because the sub-contractor who put the ceramic tiles in the washrooms hadn't done a good

job," said Ron Phillips, vp Planning and Development.

The Campus Development Office held back payment for the work until a sub-contractor returned to finish the job properly, explained Phillips. And the difficulty in getting people back to finish resulted in a late start to the work, he claimed.

Friedman was contemplating a class-action suit or a court injunction until he realized the prohibitive costs involved. "But I'm going to the registrar's office and asking for a week's worth of tuition fees back," said Friedman.

Phillips finally informed the subcontractor of the inconveniences and the remainder of the work, approximately a week and a half, will be completed at night.

TUITION FEES

If fees are still unpaid after October 15th a student's registration is subject to cancellation for non-payment of fees and the student to exclusion from classes.

Students in the faculty of Graduate Studies and Research are reminded that their fees are to be paid by the date indicated on their fee assessment advice form.

Students who expect to pay their fees from federal and/or provincial government loans are referred to Section F of the Registration Procedures booklet or to Section 15.2 of the University Regulations and Information for Students Calendar.

Fees are payable at the Office of the Comptroller on the 3rd floor of the Administration Building.

Polls Oct 6 '76

9:00 a.m. - 5:30 p.m.

- 1) Agriculture - student's lounge
 - 2) Arts (Old) - main entrance
 - 3) Biological Sciences - tunnel entrance
 - 4) CAB 1 - pedway
 - 5) CAB 2 - main lobby NE
- 9:30 a.m. - 3:30 p.m.
- 6) C.U.S.J - salon des etudiants

9:00 a.m. - 5:30 p.m.

- 7) Corbett - North door
- Dentistry/Pharmacy - coffee rm - 2nd floor
- 9) Education (S) - main lobby
- 10) Education (N) - lounge area
- 11) Engineering Chem./Min. - Main entrance
- 12) Fine Arts - main entrance (N.W)
- 13) General Services - Main entrance
- 14) H.M Tory - Main entrance (S)
- 15) H.M. Tory - Lecture lobby L-II
- 16) Home Economics - main entrance N.E.
- HUB
- 18) Humanities - pedway
- Law Centre main entrance N.E.
- 20) Lister Hall - outside cafeteria
- 21) Medical Sciences - Students' lounge

9:00 a.m. - 3:00 p.m.

- 22) Nurses' Res. - main entrance

9:00 a.m. - 5:30 p.m.

- 23) Phys. Ed. - main entrance
- 24) SUB - east entrance
- 25) V-wing - outside V-123.

S.U. Returning Officer