

Even higher tuition fees?

Future of post secondary funding worries Ont.

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The provincial and federal governments are currently negotiating their respective financial responsibilities for post-secondary education in Canada, and the outcome may spell higher tuition increases for students.

The negotiations concern the renewal of the Fiscal Arrangements Act (FAA), which since 1967 has determined the amounts which provincial and federal governments contribute to post-secondary education.

In 1967 each province chose to accept one of two FAA systems of fiscal transfer for the financing of post-secondary education. Seven provinces opted to have the federal government reimburse them for 50 per cent of their annual expenditure in all areas of post-secondary education (with a few exceptions such as building construction and student aid, which the provinces bore completely).

ALTERNATIVES

Newfoundland, New Brunswick and Prince Edward Island decided to accept an alternative annual per-student grant. For these three provinces with the smallest post-secondary systems, the per-student grant was more lucrative. The grant has grown from \$15 in 1967-68 to \$48 in 1975-76.

Since 1967 the federal government has become disenchanted with the FAA. Ottawa is no longer content to match expenditures with the provincial governments in an area over which it claims to have no control. As well, Ottawa feels that the FAA is perpetuating the poorer economic status of some provinces. (In 1975-76, Ontario, Alberta and Quebec received respectively \$65, \$68 and \$79 per student through the federal-provincial equal payment system, compared to the \$48 which the Atlantic provinces received through the per-student system)

The federal government started retailoring the FAA in 1973 by imposing a 15 per cent ceiling on the annual increase in provincial post-secondary spending. Provinces exceeding this amount have since had to make up the difference themselves by raising tuition fees and through other methods.

INTENDED CUTBACKS

This year the FAA came up for its second renewal (the first was in 1972) and the federal government has proposed some major alterations intended to cut back federal spending on post-secondary education drastically.

Firstly, Ottawa wants to lower the ceiling on annual increases

from 15 per cent to 12 or 13 per cent. Secondly, they want to introduce a plan of reduced fiscal return based on the fiscal capabilities (i.e. tax-raising power) of each province. This proposal is contrary to Ottawa's professed concern over the imbalance of funding from province to province, as the new proposal hurts the poorer provinces more than the richer ones.

Finally, the federal government wants to get its say in post-secondary education in regular forums between itself and the provinces which will determine further federal cash involvement in universities and colleges.

The reaction of the provinces has been mixed, because the federal proposals, if implemented would affect them differentially. Thus the demand which issued from the 17th Conference of the First Ministers in Edmonton last May was that the federal government be extremely generous with all the provinces. The provinces demanded that Ottawa give them an additional four percentage points (or about three per cent) of federal personal income tax. This transfer would make up the provinces' annual post-secondary losses, evaluated at between \$750 million and one billion dollars.

Since the May conference, the provincial governments have been looking further into the FAA situation, and the renewal of the Act will likely be high on the agenda at the next premiers' conference in November. If the federal government goes through with its proposals, the provinces will have to bear much more of the weight of post-secondary financing and students will probably be expected to share the burden in the form of increased tuition fees.

RECOMMENDATIONS

The Council of Ontario Universities and the National Association of Universities and Community Colleges have both recommended that the FAA be renewed and that universities and governments work out a new arrangement together.

York president H. Ian MacDonald felt that the new system would cause difficulties for the universities. He said he thought it was wrong for the federal government to act unilaterally instead of sitting down with the university heads to work out an equitable system.

The National Union of Students (NUS) decided at its semi-annual conference in Ottawa earlier this month to demand the renewal of the FAA in conjunction with a lifting of the 15 per cent annual increase ceiling. As well, NUS has re-

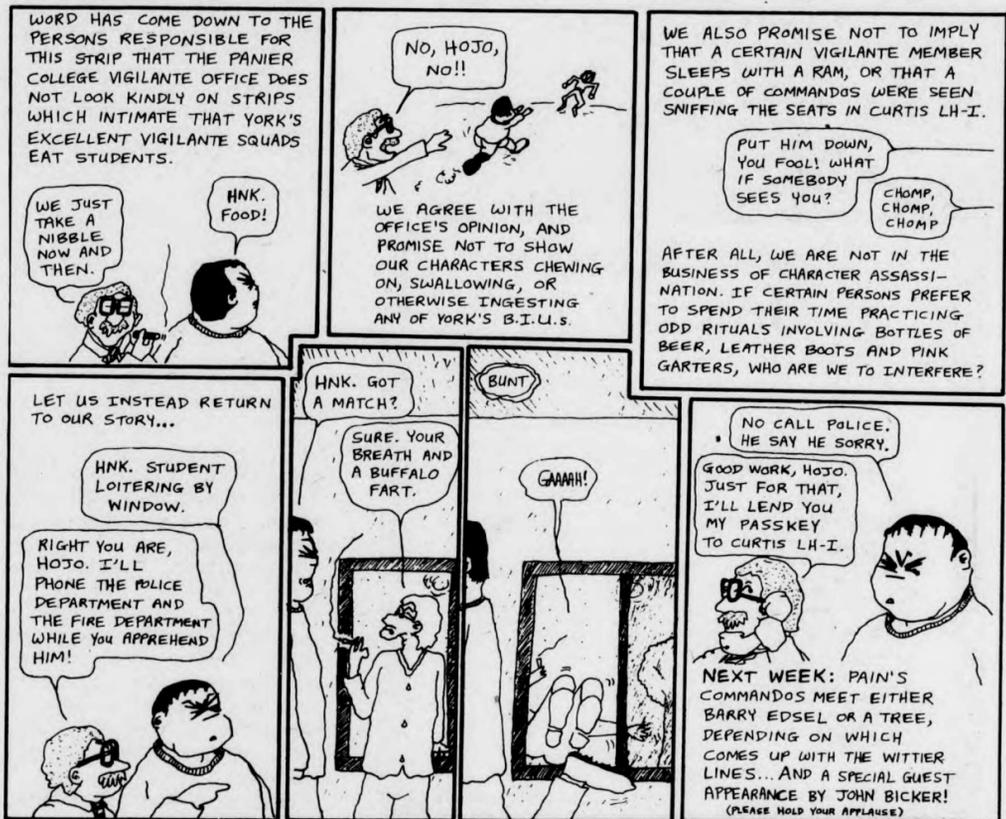
quested a national enquiry on the goals and financing of Canadian post-secondary education, and that NUS be represented at the enquiry and any FAA negotiations.

NUS is adamantly opposed to the implementation of the federal FAA

proposals because the provincial governments would receive federal funds before they had made their post-secondary expenditures rather than after. NUS feels that the provinces may spend the federal funds on programmes other

than post-secondary education. According to NUS, in the past the provinces have inflated their operating budgets at the time of fiscal transfers and later reduced their estimates and shuffled some of the funds to other areas.

Pain's Commandoes featuring Hojo



Booze ban in BC

VANCOUVER (CUP) — The student pub at the University of British Columbia will not be serving beer for the next month.

The student council voted 20-10 Oct. 20 to prohibit liquor from Alma Mater Society functions and outlets in the student union building until November 22.

The decision — which AMS representatives say will curb vandalism and liquor abuse on campus — closed the pub (The Pit) and the liquor lounge (The Lethe) effective Oct. 20 and barred liquor from functions sponsored by clubs and undergraduate societies in the building.

The council made the decision because it feared the liquor administration branch of BC (LAB) would revoke the Pit's liquor permit unless students moved to

curb alcohol abuse by Pit patrons.

Representatives met with RCMP Sgt. Al Hutchinson and "he informed us there was a problem, and he was writing to the LAB and the intention was to close the Pit down," according to council chair Phil Johnson.

"We decided to take the matter into our own hands. We thought it was better if we took that initiative and exercise our control. We would rather keep that control than have it forced on us," Johnson said.

The council also voted to compensate undergraduate societies for expenses already committed to functions which will be hit by the dry up, but it will not pay pub employees their full wage.

Employees will be paid for only half the time they are scheduled to work. The Pit will reopen Oct. 25 as a coffee house.

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