

This time it's a sophisticated slide

Confidence in president lessens financial woe

On November 18 the minister of colleges and universities, James Auld, announced levels of support for universities for the 1975-75 year of operation. A wave of dismay greeted his revelation that the value of the basic income unit (BIU) would increase by only 7.4 per cent, less than half the increase requested by a council of Ontario universities brief last month. (The BIU is the amount of money the government agrees to pay a university for each full-time or full-time equivalent student.)

The following article examines the repercussions of this announcement at York

By DOUG TINDAL

A number of factors distinguish York's current financial difficulties from the cataclysmic crisis of 1972 — notably, the lack of panic due, in a large part, to the leadership of President Ian Macdonald.

Noting that "this time we're sliding into it in a much more sophisticated fashion", YUFA chairman Harvey Simmons feels Macdonald is, simply, "a very good president". Whereas former president David Slater seemed "confused" in the midst of his budgetary problems, Simmons told Excalibur that Macdonald "takes command and has his priorities straight".

Another improvement, according to finance vice-president Bill Farr, is the greater confidence which senate has in the budget figures. (Slater's original report to senate was almost \$1 million off the mark.) "Now there is sufficient openness in the collection and reporting of budget data that validity and accuracy are taken for granted," said Farr.

The squeeze is admittedly much tighter the second time around. To begin with, the inflationary spiral is far more severe than in 1972. Secondly, the finances of the province are not likely to improve.

POLICY SHIFT

And most important, there has been what Macdonald describes as a "major policy shift", dropping universities far down in the province's list of priorities.

"This decision (the 7.4 per cent BIU increase) represents a radically different approach from that of the previous two or three years," he said. Over that period, "the universities were not really different from



Bill Farr

other areas. Great deficits had been projected for the province and there were constraints everywhere. Ceilings were imposed on all levels of education, on hospitals, and on the civil service. Now the ceilings have been removed and funding has gone ahead in the areas of health, public and secondary schools, housing and welfare. The universities have actually been reduced in terms of their priority."

On the "bright side" is the fact that York no longer faces the situation alone. The extra funds and surpluses that allowed older universities to survive comfortably thus far are all gone. The universities of Ontario face a collective deficit of \$35-\$40 million next year if they carry ahead all current programmes and increase salaries to keep pace with inflation.

Macdonald says universities cannot adequately adjust to the new role the province apparently expects them to play without some additional funding over the next few years. He has advocated the establishment of "a university bank, funded from the provinces non-budgetary funds based on its borrowing capacity", which would make low-interest, forgivable loans to universities. In only slightly less complicated terms, this is a scheme for turning future capital into present capital, and writing most of it off somewhere in between.

Bill Farr doesn't think the government will go for it.

He points out that the government was well-aware of the problems it would cause in the university system when it announced the BIU increase. There is no reason to believe it will

suddenly change its mind.

PRIORITIES

But Macdonald says his proposal does not involve a re-ordering of government priorities. It's a case of the universities saying "We're willing to plan for less funding, but help us get through the next two or three years."

The university's total operating income is determined by multiplying the BIU by the enrolment of the previous year — in this case, \$51.6 million. The formula fees (roughly equal to tuition) are subtracted from this to produce the basic grant — \$41.8 million.

Depending on one's perspective, Farr is probably either the most cynical or the most realistic man in the administration. He sees the government's announcement that there will be no tuition increase next year (when, in fact, it's the university's prerogative to raise tuition) as a fiendishly clever move.

"What the government is saying — between the lines — is that if the universities exercise their autonomous authority to increase tuition, the government will exercise its authority to increase formula fees," said Farr.

Thus, universities would alienate their students and gain absolutely nothing. To prevent this they would have to beg the Ministry of Colleges and Universities not to raise formula fees, which makes the Ministry the defender of low tuition.

"If I were a nasty sort of person and worked for MCU," Farr sighed, "I'd love to have been the guy who thought that one up."

SALARY INCREASES

The financial picture itself is very clear right now: assuming York carries into 1975-76 all the programmes it is currently running, there will be \$2.1 million uncommitted. If all of this were applied to salary increases, it would provide for a 5.9 per cent raise for all faculty and staff members. Or, assuming a 15 per cent salary increase, the university will run at a \$3.2 million deficit next year.

Less clear is the direction the university must take. York must somehow manage to strike a balance between, as Macdonald puts it, "bankruptcy and ineffectuality".



H. Ian Macdonald

It's the ineffectuality pitfall that worries Harvey Simmons, chairman of the York University Faculty Association. Simmons is afraid that the administration's policy of allowing attrition to decrease faculty will reduce York's academic quality.

"We have no Canadians now to teach Canadian politics," he said. "There are three positions open, but no money to hire anyone to fill them."

Simmons told Excalibur that anything less than a 15 per cent salary increase might push YUFA toward unionization. "The faculty must find some way to protect themselves from inflation," he said. (The faculty associations of the

University of Manitoba and the University of Quebec have already unionized.)

Simmons feels that a large part of the university's funding problems exists because the public is unfamiliar with the way universities work. Macdonald agrees, and has been taking on an increased number of speaking engagements to remove this barrier.

But according to Bill Farr, the assumption that the community would be more willing to support universities if it understood them better "is completely untested."

"If the public knew us better it might just as easily like us even less," he said.

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