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MONDAY, NOVEMBER 12, 1990

VOLUME 25, ISSUE 26

excalibur

Loan tax called "slap in face"

Fee introduced in August

by Wayne Morrow

Students who depend on Canada Student Loans are being forced to dig into their pockets to cover a three percent tax imposed by the federal government last month.

As of August 1, the "guarantee fee" must be paid before a loan can be negotiated, which means students must come up with the amount required before receiving their loan.

Dave Scott, a spokesperson for the Ontario Ministry of Colleges and Universities, said the provincial government does not support the fee, which he described as a "regressive tax."

"They [the federal government] are doing away with a lot of their responsibilities, and I think this is another example of it."

Student politicians protested the tax at a September 4 news conference held at York University. Rob Centa, external vice president of the York Federation of Students, described the fee as "a slap in the face" to students.

"When the Federal government said they were going to collect this money to pay off the deficit, I think it was the biggest slap in the face students have received yet," said Rob Centa vice president of internal affairs for the York Federation of Students.

"The people you're taxing are the very neediest people. It's not logical and it's completely regressive," said Laurie Kingston, chair of the Ontario Federation of Students.

Student with loans of \$4000 will be required to pay a \$120 fee. Banks are not permitted to negotiate loans without payment of this tax.

According to the Department of the Secretary of State of Canada, the 3% guarantee fee is "one of a number of deficit reduction measures" and is "intended to offset the cost of benefits received." The department also said

the fee would deter students from defaulting on their loans.

But Kingston argued that Canada Student Loans have only a 2 percent default rate.

Richard Jackson, a representative of the OSAP (Ontario Student Assistance Program) office in Thunder Bay, said University students are usually considered good credit risks.

The 2 percent default rate "figures quite favourably in comparison with commercial loans," Jackson said, "this reflects how seriously students respect their loans."

According to Kingston, the tax is hitting students at a particularly difficult time.

"First we were handed an 8% tuition increase. This was not accompanied by funding increases, or by increases to student assistance."

"This has been one of the worst summers anyone can remember for student employment. And now this is going to be the most expensive year ever," said Rob Centa.

Marcela Rios, a fourth-year York sociology student who spoke at the press conference, said the tax had devastating effects for.

Rios said she took summer courses and therefore was unable to obtain employment for much of the summer. She only earned around \$1000 and was unable to pay the loan tax fee.

"I don't think my case is an atypical one. I know a lot of people who couldn't find a job for the summer," said Rios.

Student governments in Ontario are asking students to sign a petition protesting the tax. According to Rob Centa, the York Federation of Students collected over 2500 signatures in less than four days.

"This is just the thin edge of the wedge," said Centa. "What's next? Are they going to take away interest relief or axe the whole Canada Student Loans program altogether?"



DAVID SUTHERLAND

A festival of lineup culture. The postal strike graced us with our longest lineups ever. This gave students lots of time to think about fee increases, health care cuts, loan taxes, killer cops, crowded classrooms, and hairstyles.

Students flocking to loan offices

by Clive Thompson (CUP)

The number of students applying for financial aid in Ontario this year has shot through the roof.

As of August 16, over 69,000 students had applied for aid under the Ontario Student Assistance Plan — an increase of 44 percent over last year's figure of 47,900.

Students and university officials say the increase reflects the sagging economy, which has killed thousands of jobs for both students and their families.

"This summer has to be the worst summer I can ever remember for student employment, and that hasn't been helped by the cuts to government job programs," said Laurie Kingston, chair of the Ontario Federation of Students.

According to Statistics Canada, Ontario student employment reached 15.4 percent this summer, with 87,000 jobless.

Tight financial times have also reduced parental contributions, forcing more students to turn to government assistance, said Debbie Mair, a financial aid counsellor at the University of Guelph.

"The economy has a lot to do with it, what with families out of work. And a lot more people are staying

in school."

Richard Jackson, an official with Ontario's ministry of colleges and universities, doesn't buy this argument. He said the main reason for the surge in applications is that the government simplified the loan form this year, making it easier and quicker to fill out and process.

The total number of applications — which can be filed until January — won't increase by more than eight percent over last year's 130,000, he predicted. Ontario has boosted its OSAP funding by 7.8 percent this year, bringing the level to \$220 million.

"We haven't found that people are a lot poorer than before," Jackson said. "At this time in the year, we attribute the numbers to a sped-up process, not a drastic increase in need."

But while Kingston and university student award officers agree the new form may have sped things up, they feel economic factors are also at work.

Kingston, who herself is \$13,000 in debt from student aid, said the number of student applications would be up even if the forms had remained the same.

"I mean, I'm a [loan] recipient myself, and I know that even if the form is a royal pain, you're still going to fill it out if you need the money."

York may see strike: part-time profs, TAs

by Sam Putinja

Part-time professors and teaching assistants are resuming their contract talks with the university administration this week, but union representatives say they don't expect to reach an agreement soon.

Margaret Watson, chief negotiator for the Canadian Union of Education Workers (CUEW), said the union may have to strike to back up its demands.

CUEW is set to hold a membership meeting on September 17. At that time, Watson said, "If the position of the university stays the same we will recommend that our members withdraw their labour."

The most contentious issue involves the conversion of part-time professors into full-time positions. Under previous agreements with the administration, a certain number of part-timers are to be converted to full-time faculty each year.

In the current talks the university has proposed that this program be temporarily suspended.

In a press conference last week, CUEW representative Doug Allen said the union would be "very stubborn" in their demand for full-time conversion.

James Brown, a part-time English professor, described full-time conversion as an issue of affirmative

action because a large proportion of part-time faculty are women (who are often forced to work part-time while supporting children in their early careers), or people who earned their doctorates during the late 1970s and early 1980s, when universities drastically reduced the numbers of full-time professors hired.

"This is really a class issue... because otherwise [the university] is discriminating against a whole class of people who got their Ph.Ds during a certain period," Brown said.

Allen said CUEW's salary dispute is also an issue of equality, because the university has offered CUEW members much smaller increases than

York's full-time professors received last month. In previous years the university has offered both groups equal increases.

YUFA received a 9 percent increase in salaries and benefits after relatively quick negotiations. The administration is so far offering CUEW a 5.8 percent increase in pay.

CUEW also argues that this offer does not keep pace with the inflation rate.

Paula O'Riley, the administration's negotiator, argued in an August interview that CUEW members already receive better pay and benefits than their counterparts at many Canadian universities.

"They [CUEW] are entitled to their view," O'Riley said. "It is difficult for us to meet all the demands. The university is in serious financial constraints."

But CUEW is arguing that teaching assistants and part-time faculty should receive the same settlement as full-timers because they teach the same classes and do the same work, Watson said.

Watson said CUEW is also seeking progress on issues of class size and safety and security on campus. But she stressed that she is not optimistic about the pending talks.

"Major issues we want to see moving, aren't."