

SU debt - root of all evil

The slide-trough to destruction

In an attempt to minimize its losses, the University of Alberta has called in a \$339,000 debt owed by the Students' Union, effectively assuming control of the 73 year old student organization.

The Students' Union, which was over a million dollars in debt last August, appeared headed for solvency two or three years down the road.

But facing its own cash-flow problems, and responding to pressure from the Alberta government, the U of A Board of Governors took over the Students' Union yesterday.

In a prepared statement, Board chairman John Schlosser said the University expects to make up its losses by operating profitable SU businesses and closing down unprofitable operations, including the *Getaway*.

Schlosser admitted the SU was in much better financial shape now than it had been at this time last year, but the Board felt \$300,000 would be the lowest overdraft figure for 1981/82. The Board expected the overdraft only to climb to over \$1.1 million after December, so it decided to "minimize its losses" now, Schlosser said.

In other news...

Maple walnut fudge seized

High grade hashish, purportedly from Turkey, has been discovered in the maple walnut fudge sold at the Information Desk of the Students' Union Building.

The discovery was made by SU Business Manager George Ivanisko late last Friday. Ivanisko said he didn't know where the hash-laden fudge came from, but will "see to it" that the culprits are "caught and severely reprimanded."

The fudge section of the Information Desk has since been closed down and an internal investigation into the matter is under way.

No groups have yet come forward to claim responsibility for the prank.

Director of CJSR radio, Steve Cumming, said that he and his staff have known about the "Fudge-plus" for some time.

"It's definitely Turkish," said Cumming.

Elise Gaudet, vp finance and administration, concurred that fudge sales shot up around the time Cumming said that the "Fudge-plus" hit the shelves.

"Sales have increased approximately two-fold," said Gaudet.

As yet, no one is willing to speculate on who the pranksters might be.

SU president Phil Soper said Friday he is confident that the matter will be cleared up soon.

"We don't expect that it will take that long to hash this whole thing out," he quipped.

Ivanisko said that he had "an unpleasant experience" Friday evening after eating a half pound of the maple walnut fudge.

"I tripped out," said Ivanisko.

SU finances have been the subject of much controversy ever since the managerial team of Bert Best and Glyden Headley took control in the mid-70's.

Headley left the Students' Union during the summer last year. By that time the SU debt had escalated to almost one million dollars, a result of profligate spending on unrealistic break-even budgets, poor management in SU food outlets (since closed) and other financial drains such as prime plus one per cent interest payments on the university overdraft and annual SUB mortgage payments.

In September of this year, the new Students' Union executive, headed up by commerce student Phillip Soper, hired George Ivanisko as the new SU General Manager.

Ivanisko proceeded with admirable zeal if not labor management to pump new administrative blood into the SU operation.

He proceeded, with a blank cheque from Students' Council, to turn the SU inside out in his attempts to rationalize the money-losing operation.

A new expenditure control system was introduced which

would stop irresponsible spending, and Ivanisko oversaw the contentious closures of several SU service operations, including the Students' union Music Store and the SUB Curling rink.

However, while Ivanisko produced cuts in the SU overdraft, the overall operation, described by

one insider as "hopelessly corrupt and profligate, with semi-autonomous managers lining their pocketbooks ..." continued to bleed.

Yesterday the Students' Union was formally served with a notice from the Board of Governors that the student organization was being taken over by the

university. The Board claimed it has the power to effect such a takeover, and has so far gone unchallenged.

In a surprise and controversial move, the university hired George Ivanisko as interim transition manager to oversee the university takeover of Students' Union operations.

Slimy, bureaucratic technicality

The university believes it can take over the Students' Union corporation under section 39(3) of the Universities Act.

Section 39(3) reads: "Any powers of government given to a students' union or graduate students' association pursuant to subsection (1) clause (d) are subject to the overriding control of the board, the president, and the general faculties council."

Subsection (1) clause (d) concerns student activities on campus. It reads: *general faculties council has the power "to give the students' union and the graduate students' association such powers of government with respect to the conduct of students it represents as the general faculties council considers proper."*

A solicitor representing Students' Union interests told the *Getaway* that the university is overstepping its power.

"It has to gain trustee-ship over the Students' Union before it can do anything like this," she said.

The university would first have to recall the Students' Union overdraft, which the university knows the SU cannot repay, the solicitor said.

Then the university would go to court requesting that the SU be forced to pay up. Since it could not do so, the Students' Union would go bankrupt and would be forced to go into receivership.

Only then would a trustee be appointed, and, according to the solicitor, it certainly would not be



Board Chairman John Schlosser announces the closure of the *Getaway*.

Office renovations

"You know, I've never done anything illegal in my life, and I don't drink and my whole life has been based on honesty.... this has been quite an unpleasant experience," he said.

Ivanisko plans to enter the hospital to undergo intensive diagnostic tests to determine if he has suffered any further brain or chromosome damage.

Office renovations

The go-ahead for proposed *Getaway* office renovations materialized just prior to the announcement of the newspaper's shutdown.

Staff lobbied Brian Bechtel, SU v.p. Internal daily with the hopes of starting action on their cause.

Furniture and equipment were not up to standard and three legged chairs and typewriters with keys missing were not uncommon.

A list of office essentials included leather swivel chairs, mahogany panelling, and datatron typewriters.

A portable bar was listed on the first draft of essentials but was later deemed unnecessary if the private elevator to RATT was installed.

With the turn of events involving the *Getaway* closure and the takeover of the Students' Union, the university reportedly is considering renovating the paper offices into a chocolate fudge factory, to be managed by new interim transition manager George Ivanisko.

the University. It would more likely be a disinterested third party, an accounting firm that would be responsible for liquidating the Students' Union assets to pay the debt to the University.

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