

# National Union Day

**NATIONAL UNION DAY: AN OVERVIEW**

One of the difficulties with a national union is that there are no day-to-day experiences which directly link Canadian students. In calling a national union day, we have isolated several problem areas which affect Canadian students across the country. These main areas can only be dealt with at a national level. It is only through participation by students across the country that we will be able to bring attention to these areas which affect all students.

While many of the problems that are raised in national union day occur in specific ways at local and provincial levels, it is important to realize that the decision-making apparatus that governs them is at the federal level (housing, taxation, student loans, employment). This means that action to deal with these problems can only be taken in so far as students can raise demands on the federal government.

At the same time, National Union Day should not be viewed as an isolated event. This can be done by linking local demands to the main national ones. For instance, with regard to the question of housing, local

unions may want to adopt some particular policy about their own residences in addition to the national demands which are being raised on this issue.

In the past, CUS has held national student days which concentrated mainly on loans and accessibility to higher education. In many ways, this national union day represents a continuation of CUS' involvement in the campaign for reduced personal expenditures in education. But it also represents a departure into wider areas of social concern. Further, we are not making demands without specifying how they can be met. This is because we realize that many of the demands we are making affect other groups in Canadian society as much as they affect students. In demanding a solution to our problems we do not want to create a situation where these groups problems are increased as ours are alleviated. Because these non students have similar problems (housing, taxation, employment), we recognize that our problems are not likely to be solved until we can work for change with those people in Canadian society who have common problems with us.

## Jobs... Aid... Taxes... Housing What's the government doing

By STEVE LANGDON  
SAC President  
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I was in Halifax this past weekend. It's an old and very traditional city. A girl studying Chemistry at Mount St. Vincent University there told me: "I won't even be able to get a permanent job here when I graduate this May; summer jobs are even worse."

That probably says something about Maritime economic underdevelopment, but it says much more about job opportunities for all university students this year. Right across Canada unemployment has risen and graduating university students will face a very tight job market. A few will get exciting and demanding jobs, many will suffer underemployment in relation to their ability, many will go to OCE or Graduate School because of the squeeze, and some will likely be left out in the cold. With the unemployment rate running at 5 per cent in Ontario, usually the most prosperous area in Canada, new people seeking employment here will find things as bad as anywhere.

Summer employment will be even harder to find. High employment reveals a down-turn in the economy, and companies don't usually hire much temporary help in such a situation. Moreover, a large pool of unemployed persons will be available for many of the short-term positions that are open.

### Elimination of Student Jobs

This immediate condition relates to a long-run trend in our economy - the progressive elimination of many of the unskilled jobs which university students are able to do in the summer. Jobs are becoming much more complex; training periods become longer; and the untrained university student, especially after first or second year, is in bad shape. Available jobs will likely go first to the technically-trained student from a Community College.

The point of all this is not to demand a more job-oriented technical education, but to show the growing failure of the conventional approach to financing higher-level learning: that is, the view that self-financing from summer jobs is central, and that one will get such a high-paying job on graduation that loans are easy to pay back quickly and therefore fair.

The consequence, then of the employment problem must be a much better system of financial aid, beginning at the federal government level where the Student Loans Act sets the broad criteria for individual provincial plans.

### OSAP March

Some 1,200 - 1,500 students marched on Queen's Park to protest the Ontario loan plan in November; the result has been virtually nil. There has been no attempt to lessen emphasis on loans or on summer employment; nor have independence regulations been liberalized; the plan is likely to become more rather than less standardized and bureaucratic next

year. The government has done nothing to remove some of the social barriers to university.

Unemployment, then, must cause great reliance on student aid for financing education. And that, in turn, means higher taxes. We have to look at where these taxes will have to fall so that we middleclass students aren't being subsidized by increasing taxes on low-income groups.

### Carter Report

The Carter Report on Taxation tells us a few things. Most disturbingly, it points out that many persons making below \$5,000 per year are now paying a higher percentage of their wages in taxes than those in more prosperous income brackets. Thus, not only do new tax revenues have to come from other sectors of the community, but the present tax structure should probably be changed so that lower income groups pay a smaller percentage in taxes from their already limited budgets.

Carter is even more useful, however, for it isolates areas where increased taxation is not only possible but just. Taxes on resource based industries, and on certain financial institutions are now unfairly low. If a man makes thousands in land speculation or playing the stock-market, he isn't even taxed. The taxation rates of the great corporations which so benefit from present-day education have barely risen at all in the last decade. These are the areas from which we must demand greater tax resources, not the Canadian working class. I stress again the need to deal with the taxation issue if students are going to have their financial aid demands taken seriously.

The costs which we have to meet, especially for housing, are of related concern. Several hundred residence students here are withholding second-in-stallment fees in protest against their rising housing costs. Again a major responsibility rests with the federal government.

### Federal Responsibility

That is a crucial point, - the overall responsibility of the federal government on all these issues. Students across this country face these economic difficulties from a similar perspective; only by acting together are they likely to get results. That is the purpose of National Union Day. The Canadian Union of Students has set Wednesday, February 12th aside as a day to raise these issues and have the public consider and act on them. By putting them in a national context, we can also consider how overall national factors such as United States domination of our economy affect such issues, i.e. directly affect us and the education we are getting.

Unemployment, student aid, taxation and housing affect us all; they also affect non-students. National Union Day will have to stress this fact as well. The Day will be a focus for much S.A.C. work this term, as we discuss how to raise and deal with these problems. Those within and without the university have to hear about these issues - and do something about them - from Vancouver, to Toronto, to Halifax.

## TEACH-IN

- Why there will be no Summer jobs this year
- Why there will be fewer and fewer jobs for Graduates
- Why there will be little increase in Student Aid
- Why the Housing Situation will not get better

Attend the Teach-In on jobs and housing in Canada  
Feb. 12, 2:00-5:00 & 7:00-10:00 Room 117 Dunn Bldg.

## Overall housing shortage symptomatic of our economy

The present lack of housing both student and non-student is symptomatic of the way our economy operates. During most periods that money or capital can achieve higher rates of interest in other sectors of the economy, there is a lack of availability of funds for mortgages and consequently: a) the interest rates on mortgages are high and b) there are insufficient funds for housing. This leads to the situation where only people making more than \$8,000 can afford to buy a house and where there is a chronic shortage of houses.

This situation is useful to some sectors of the economy because housing can then be used as a device whereby the slack in the economy is absorbed. Thus when other sectors of the economy are cutting back or going through a mild recessionary period it is easy to inflate the housing sector and produce a large number of houses which meet an over-inflated demand. The social costs involved are immense. Basically, the problem is simply that there is either no housing or inadequate housing for large sectors of the Canadian population.

The fact that chartered banks are unable to lend money to such enterprises as housing and mortgages means that in Canada there has been the growth of separate and relatively autonomous financial institutions - mortgage and trust companies who specialize in the mortgage racket. Since one of the rationales behind the chartered banks was to insure that interest rates were not usurious the growth of mortgage and finance companies can only be seen as a method by which the effective interest rate for money can exceed the prevailing bank rate.

The solution to the problem is simple or complex depending upon your political persuasions. The complex solution is to as Richard Nixon says "let the private sector handle it." This will of course mean that there will be houses produced in fits and starts and most often not enough, soon enough. The simple solution is to set up or enlarge the responsibilities of an existing Crown Corporation. Such a Crown Corporation could be charged with the responsibility for 1) seeing that enough housing units are provided to meet the immediate and long term demand and 2) see that funds are provided for mortgages and available at rates which people can afford. This solution will of course eliminate some of our present problems with mortgage companies.

The other bug in the problem is the cost of land. The prevailing trick of a speculator in a city is to buy up land, hold it for short periods and sell it at a highly inflated price. A capital gains tax that stops this would be highly desirable and the money gained from that tax could be fed to the Crown Corporation with the intent of providing

housing for persons that need it. This tax would by and large greatly reduce the cost of a house and would help in keeping the cost of land down.

Both these procedures, a Crown Corporation responsible for housing and a capital gains tax on land speculation would mean that people could afford to buy housing at a reasonable cost with reasonable interest rates. Such a proposal would also mean that the unemployment associated with the construction industry could be reduced and in fact the construction industry could be rationalized and made more efficient than it now is. These savings would: 1) increase tax revenues due to greater employment and 2) due to the greater efficiency of the construction industry make houses cheaper in the long run.

The area which no one has really considered to my knowledge is the question of what type of housing (department buildings, individual houses, town houses, etc.) is most desirable and how should these housing units be arranged. The question is should we continue to allow several large cities to get larger and larger and more and more unmanageable or would it be to the benefit of Canadians to encourage the development of smaller satellite cities around the presently over-developed urban core in Canada. If the decision was to encourage the development of the smaller more manageable cities it may be desirable to have a policy of nationalizing land for the development of such satellite cities. Some of the considerations around this question are financial and others are in the realm of planning and the development of social arrangements for a reasonable life style.

In regard to the specifics of housing university students it seems clear now that administration-run residences are more inefficient than student-run residences. The conclusions to draw from this are obvious. The other point which seems obvious is that the administration for some peculiar reason is given to building more expensive residences in terms of the cost per bed and that these unduly expensive residences can only be seen as a waste. Once again the conclusions to draw from this are obvious. Demands in this area should be for more or complete student control of residences. The most interesting aspect in this area is that the administration in its effort to affect some degree of social control often has done in residences who reside there free of charge. The charges are in fact borne by the other students. The existence of house mothers and other such outdated anachronisms are also an expense borne by the individual student residing in administration controlled residences. This aspect of excessive costs and inefficiency should be investigated on individual campuses and attacked with some degree of vigour.

## Employment, Awards, Taxes are Federal responsibilities

The problem of student summer employment is in part a problem of the economy (a high level of unemployment) and a problem specific to students. The specificity of the problem is that the jobs which students formerly did in the summer are to some degree passing out of the economy. Thus the need for untrained and unskilled labour is diminishing. The more general aspect of the problem is related to the fact that unemployment is high for many people in the country. The net result of this is 1) that tax revenues are lower and 2) that students are unable to save as much money from summer jobs and thus require student loans and award programs.

Since the control of both financial resources and the employment problem in the country resides at the federal level a solution to either awards or employment must look to the federal government. There is not a great deal that can be said here except that in order to increase the funds available for student loans and a student awards program the government must increase its revenues and this means taxing various sectors of the economy. The problem of unemployment is more chronic and has deeper roots and is not as readily solved. The nature of demands in this area must be carefully considered and probably the most effective demand would be a general reduction of the total unemployment figure. In the expanding economy which would thus be generated students would more readily find summer employment. There are of course specific solutions that the government could undertake to ease the unem-

ployment problem in the summer and amongst these would be 1) increasing the length of the school year and providing funds for the students to go to school all year or 2) creating make work projects of a social nature which are useful to the social sector of the economy and which would be a source of income for students. The type of project involved here might include reforestation projects or work in hospitals or construction or any one of the number of neglected areas of our economy. The solution to the problem would be specific to the social needs of each region and its resources.

However the possibility of immediately creating new jobs is perhaps at best limited. The alternative then is to provide funds so that students can go to school either without working in the summer or perhaps for the full year. This means that the funds will have to be generated from the existing government revenues and since these revenues are insufficient to provide the necessary funds new revenues would have to be generated. The amount of revenues necessary and their source should be carefully considered. In regard to this question see the paper on taxation.

The unemployment and award problem are interrelated and are tied in definite ways to the whole problem of taxation in Canada. The solution to all three problems lies with the federal government and the adoption of a solution involves pressuring the federal government to undertake various projects and to increase revenues.

### The taxman

The increasing interest in the financing of education and especially university education to be fruitful must examine the Canadian taxation structure. Essentially the question you are asking is who benefits and who pays? In regard to the problem of who pays the present tax system in Canada is regressive on incomes up to perhaps \$5,000. This is possibly the main finding of study no. 2, "The Incidence of Taxes and Public Expenditures in the Canadian Economy" done for the Carter Commission. The data in that study indicates that the people with family incomes of less than \$5,000 pay an inordinate amount of their income in taxes to the government. Families with an income of less than \$5,000 by and large do not go to university.

When we turn our attention to the sources of operating income for the university we find that the student fees and federal and provincial revenues account for 88.1% of the total operating income. At the present moment we do not have data on sources of funds for capital grants but we doubt that the picture would change very much. This means that the people who are paying for the greater part of the university either 1) don't get to go there or 2) are not represented in the decision-making which affects the university system which they pay for.

Most knowledgeable persons of course suspected that the case was not much different from that presented here. The rationale for even looking at the taxation structure is of course that when making demands on the government, either provincial or federal, it is necessary to phrase your demands so that those people who are already being exploited do not subsequently become more exploited when the gov-

ernment attempts to meet your demands. By this we mean simply that demands for better education or more education or more funds should be phrased in such a manner that the government has no excuse for taxing the already over-taxed. This means in effect the need for taxation of, as of yet, untaxed sectors of the economy. The untaxed or under-taxed sectors of the economy are mentioned quite explicitly in the Carter Report and include the mining and oil industries, a capital gains tax etc. These sources would provide a considerably increased amount of money for education, student award programs and general health and welfare sectors of the social order which require funds.

Of course the existing tax structure would yield a greatly increased number of dollars if this economy operated at full employment. The operation of the economy at full employment with a reasonable rate of growth would net the government a considerable amount of money. This amount of money would probably be in excess of one billion dollars a year in additional tax revenues. This is another area which when making demands to the government should be explored. The present rates of unemployment are fruitful for the private capitalist and represent a considerable drain on the social sectors of the economy. This drain operates by 1) reducing tax revenues and 2) by increasing the probability that the economy will not grow as it should.

In summary demands on the taxation structure which are carefully thought out and coupled with demands for reasonably full employment will if properly worked out put the government in a bind and gain some friends from amongst the non student population.