

# excalibur

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## Feds still charging 3% tax on student loans

by Gina Hanlon

Students with Canada Savings Loans will still be paying a three per cent surcharge this fall, despite the 1992 Federal Budget announcement that the tax would be eliminated.

The elimination of the tax will await implementation of other proposed changes to the Canadian Student Loans Program (CSLP), according to an Undersecretary of State document. The proposed restructuring is "expected to provide the scope" to eliminate the tax.

Kelly Lamrock, national chair of the Canadian Federation of Students, said these new proposals, if implemented, will be a disaster for needy students.

"Banks will be asking students applying for a loan for a co-guarantor, which will mean that for most students, their parents will have to sign for them to get a loan," said Lamrock.

Student loans would become similar to other bank loans, complete with floating interest rates, premiums and immediate repayment. According to CFS researchers, student loans would offer no benefits over bank loans if all the proposals were implemented.

Other federal proposals will make it harder for needy students to get loans, and will discriminate against those who can't finish their degrees quickly, CFS reports say. The banks will also be able to reject students

who are "poor credit risks," and the federal government will no longer subsidize six interest-free months for students leaving post-secondary education.

CSLP's stated mission is to increase access to post-secondary education to needy students. But the proposed new mission statement makes accessibility secondary to the "development of a well-educated, skilled and adaptable workforce."

Changes to eligibility criteria reflect this. Students will have to take an 80 per cent course load to qualify as full-time, up from 60 per cent. Courses must lead to a degree, diploma or certificate to qualify for a loan, and "satisfactory academic progress" will mean passing 60 per cent of a full course-load, taking control away from the educational institution to determine the meaning of satisfactory academic progress.

Caryn Duncan, a CFS researcher, calls the proposed reforms "blatant attacks on Canada Student Loans" and an abdication of responsibility on the part of the government.

Duncan said if the Conservatives were re-elected, they would also look at privatizing the federal student loans program.

Lamrock said the federal government's procrastination on eliminating the tax "is a disgusting bit of political juggling" and said he predicts a lot of angry students this fall.



A field of weeds and a decaying sales pavilion, located to the south of the York graduate residences, are all that exist of Bramalea Corporation's ambitious Fountainhead project. The company's glossy brochures showed high-

priced condos rising from an oasis of lakes and waterfalls. Bramalea bought the land from York for \$45 million in 1988, but after the collapse of the Metro real estate market they mothballed the project. • Photo by Doug Saunders

## Building program "\$10M in the hole"

# York pays for Bramalea's fall

by Sam Putijna

Toronto's slumping real-estate market means York could lose out on millions of dollars from financially troubled developer Bramalea.

The administration will have to seek bank loans to cover the shortfall from a deal with Bramalea four years ago, according to York Vice President Bill Farr.

York received about \$45 million

from Bramalea for 22 acres of land on the south-west corner of the Downsview campus in 1988.

York was to receive an additional two per cent royalty from the eventual sale of condominium units.

Bramalea planned to build over 1500 condo units, with prices starting at \$150,000, in their "Fountainhead" development.

Revenues from the Bramalea deal were to be used in part to finance York's current building program, which includes Fine Arts, Calumet and the Passey Gardens.

"It had the potential to pay us almost \$15 million. That's the part we won't see until they build condos," said Farr.

"We made plans on the assumption of receiving the money. As a consequence, our building program will end up \$10 million in the hole."

Bramalea's plans to build up to six condominium towers on the land are now in doubt.

"We were told six months ago they had mothballed that project for the foreseeable future," said Farr.

"We would have liked it to go ahead."

The land deal turned out to be exceptionally good for York since it took place at the peak of the real-estate market, Farr said.

Bramalea is reeling from its over-ambitious expansion plans during the 1980s. The corporation acquired thousands of acres of land and properties during the real-estate boom.

Falling market prices and a 4.8 billion dollar debt have forced Bramalea to reconsider its development plans.

The company's plans for the campus lands are now unknown.

Bramalea officials were not available for comment.

## Labour joins forces opposed to space university

by Doug Saunders

HAMILTON — The proposed International Space University lost a key supporter last week when the Ontario Federation of Labour joined those opposed to the York-based bid.

Gord Wilson, president of the OFL, said his support for the space university has wavered from the beginning. "Going into it we were uneasy and had a sense that there was an opportu-

nity for that operation to be used for other than peaceful purposes," said Wilson, whose organization represents all of Ontario's trade unions.

The OFL changed its opinion on the bid after learning that the ISU's supporters and board members include major US arms contractors, Wilson said. He had initially written a letter of support as part of the 190-page bid package.

"I think now the risk outweighs

any sense of security and so I've just taken a safe route. I don't think we have to be involved in it."

The OFL's opposition was announced at a news conference Friday. The event, attended by labour, faculty, student and anti-poverty groups opposed to the bid, was timed to coincide with the Ontario NDP conference at the Hamilton convention centre.

The OFL has traditionally had significant influence over Ontario NDP policy.

But cabinet ministers at the conference said the government will maintain its support for the bid, including promises of \$11 million in startup funds and \$3.5 million per year in operating grants.

"For us to have an advanced centre of study and research around space issues, based on peaceful uses of space, is going to be a great asset," said Colleges and Universities minister Richard Allen.

Premier Bob Rae and Ed Philip, minister of industry, trade and technology, both told *Excalibur* they would not reverse their position on the space university.

The York-based Institute for Space and Terrestrial Science is competing against several international groups for the Space University contract, to be awarded in August by a Massachusetts-based company.

## "Peace factory" driven by American war machines

Phyllis Creighton, chair of Science for Peace, says the International Space University "is closely linked with the American military and major military contractors." But Bob Richards, a founder of ISU, calls it a "peace factory" and says it "has never [used], and will never use funds from any source for military purposes." Who's telling the truth?

While ISU isn't the kind of place that will be building atom bombs in its basement, it certainly doesn't have any qualms about rubbing shoulders with big military contractors. York professor David Noble has catalogued the

connections between ISU and big weapons-makers.

Here are some of Noble's findings:

- America's five biggest SDI ("Star Wars") contractors have given tens of thousands of dollars each to ISU. The five — Rockwell International, McDonnell Douglas, Boeing, Lockheed and TRW — donated a total of \$285,000 to ISU between 1987 and 1990, according to tax records obtained by *Excalibur*.

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