

## Donahoe explains cutbacks

The economy got tough on the Premier, who got tough on the Minister of Education, who got tough on...

### no more Atlantic Institute of Education

**On the Atlantic Institute of Education:**

**On relocating the students:**

The most difficult and complex question regarding the Atlantic Institute as we see it at the moment is to make arrangements that are suitable to the approximately 50 students that are part way through Masters or Doctor's degree programs, whereby other institutions, St. Mary's, St. F.X., Acadia, Dalhousie, Mount Saint Vincent, should take over and assume the programs that those people are engaged in....

We are engaged in, with the assistance of the MPHEC, for lack of a better term, a profile of each of the students, who they are, where they are, what is the program, how far they are in to the program. ...what's left to be completed and what steps are necessary and/or possible for other institutions to assume that program so the time, effort and expense that many of the

students have experienced over the last years isn't for naught.

**Are you hoping they will be able to resume their studies in September?**

Yes, that is our hope, yes.

**Concerning the threat that the staff of professors at the AIE may sue the Board of Governors for breaking their contracts:**

They may, and if any professor decides to sue, it is the Atlantic Institute, not the provincial government. It's a question of what resources does the Atlantic Institute have, because it's under those resources which they have to satisfy any and all suits against the Atlantic Institute. We are looking at those contracts, or that question, but I might say that there has been some reluctance on the part of the Atlantic Institute to share those contracts...On the one hand the Atlantic Institute wants to make noises that the provincial government is in some way obligated in connection to those contracts, then on the other hand they say they won't even share the contracts with the government. They seem to me to be rather mutually exclusive points of view.

**On why the Atlantic Institute of Education was closed:**

The AIE was providing a service to people who were almost exclusively well-paid members of the Nova Scotia work force: teachers, administrators, supervisors...and we looked at the expenditure to provide a service to 50 students, which translates to twenty thousand dollars per student per year....One of the frustrations of the Institute in its ten years of life is, it's not turned

out to be what it was designed to be. There wasn't a nickel of money from any of the other provinces. The Atlantic Institute of Education wasn't Atlantic at all, it's Nova Scotian. I'm aware of a few dollars, and I point out it's just a few, from a couple of funding agencies and from a contract with the University of Prince Edward Island. This doesn't compare with the million dollars from Nova Scotia taxpayers. One of its roles was to be an agency through which the training of teachers for Nova Scotia would be coordinated and channelled. That simply hasn't happened. The other institutions have gone about their business almost exclusively or in defiance of that role.

**Concerning the benefit of the Institute's training to the quality of public education in Nova Scotia:**

The more trained people the better. ...But we have the capacity, notwithstanding the fact that it is in residential courses, we have the traditional capacity for those who want to pursue the programs in master and doctoral levels.

**So the students must give up their jobs for a couple of years and go into residency programs?**

And a lot of people do.

**On how much money will be saved by the closure:**

I can't answer (the question of amount saved this year) with respect to the Atlantic Institute until we see what is involved between now and when the doors are closed....I hope before the end of this week is over we'll have a pretty good fix on the timing and the amounts that are involved.



### royal Commission coming soon

**On the royal commission on Post Secondary Education:**

In a couple of weeks - maximum - we will have a commission named and in place.

**On whether there will be a student representative on the commission.**

We haven't determined that yet...The Premier and the Cabinet will determine the kind of review they want done. If the review that is sought talks about the two matters which have been most discussed, one, the question of administration and funding of the institutions and duplication of courses; or (two) student aid. As you know, a report already exists, and negotiations are going on now with Ottawa. If the cabinet determines that student aid not be a part of the review then I don't know. Some minds might conclude that that reduces the relevance of the impact of having a student on the commission, I'm not sure.

## Student aid endangered by Bank policies

OTTAWA (CUP) — As student aid offices across Canada are being swamped with record numbers of applications, some students are returning empty-handed after going to the bank to negotiate their loans.

None of Canada's five major banks is happy with their interest rate on student loans, and two have made major policy changes that are making student loans more difficult to obtain.

The Toronto Dominion has limited the amount of money it will allocate to student loans to a 10 per cent increase from last year.

A Queen's University student who was refused a loan at a TD branch in Kingston was told the bank had reached its limit and could issue no more loans.

The TD and the Bank of Montreal are limiting loans to students who have held an account with them for the past six months. This will particularly affect first year and out of town students.

The Bank of Montreal is also centralizing its loans to one branch in each city, often located miles from campus and student residences. Meanwhile, other banks are worried that students, unable to get loans at the TD or Bank of Montreal, will turn to them.

The Royal Bank stated in a recent letter to the Canadian Fed-

eration of Students that "with restrictions recently announced by some leaders, we do not wish to be involuntarily placed in the position of being the one of a few national lending institutions granting these loans, thus bearing a greater proportion of the associated costs."

The Royal Bank does not currently restrict the number or amount of student loans.

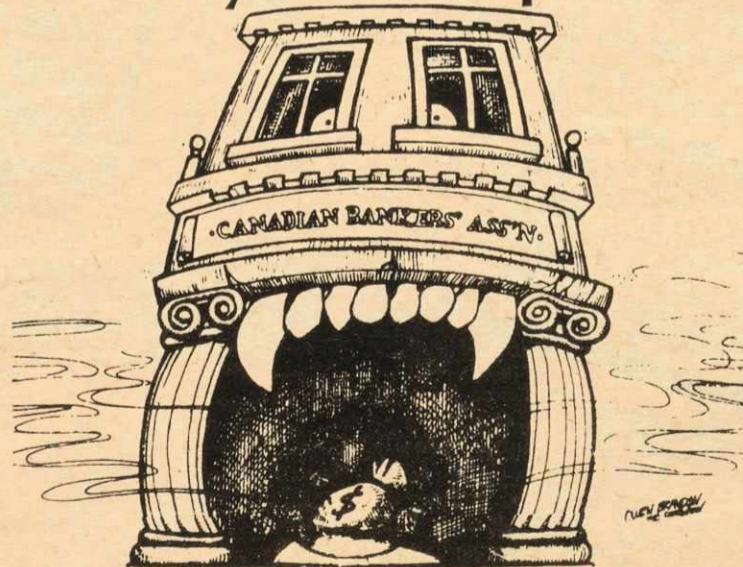
The Canadian Imperial Bank of Commerce, which handles the largest number of loans, will no longer negotiate a student loan transferred from another bank.

Guy Wright, Canadian Federation of Students-Ontario (CFS-O) executive officer, said the banks are trying to force the federal government to increase the interest rates on student loans.

The move comes when student unemployment is at 20 per cent and unprecedented numbers of students have applied for aid. Applications are up 20 per cent in Ontario, 24 per cent in Prince Edward Island, and 90 per cent in Alberta. In British Columbia, applications increased 45 per cent at Simon Fraser University and 200 per cent at Caribou College.

More than 150,000 students received aid in 1980-81, about a third of Canada's full-time students.

And applicants are asking for



much more this year, according to CFS researcher Bruce Tate. Not only did students have a difficult time earning money this summer, but many of their parents were also unemployed or had lower incomes, he said.

"The restrictions could not have come at a worse time," said Tate.

The banks' lobby group, the Canadian Bankers Association (CBA), has asked the federal government to allow them to charge either the prime interest rate or prime plus one. They currently receive the rate paid on Canada

Savings Bonds, usually about three percentage points below prime.

Tate said the TD is usually the forerunner in student loan policy, though it is currently the only bank to impose a dollar ceiling on loans.

In 1980, the TD briefly refused student loans after the Bankers' Association asked the federal government to change their loan policy, but they eventually backed off.

Secretary of State Gerald Regan promised CFS August 11th that the federal government would guarantee that no student would be

denied access to a post-secondary education this fall because of changes in the banks' student loan policy.

Regan said he would meet with the CBA in September to discuss the effect of their new policies. If necessary, he promised to meet with individual bank officials.

"As the economic situation worsens, banks are concerned about their public image," said Tate. "There's a lot of pressure on them because the government has shown a commitment to keeping this plan in existence."

The banks have complained for several years that student loans are expensive to administer and their interest rates are too low.

But Wright said the banks have not backed up their claim that they lose money on student loans.

"Until they prove their case, I don't see that they have any right to put pressure on the Secretary of State using students as pawns," said Wright.

Federal-provincial negotiations for a major restructuring of the 18 year old loans system begin in September. Regan will meet with the CBA this fall to discuss their proposals.

Legislation is expected to be introduced in Parliament this fall to go into effect in September 1983.