

Will they resolve transfer payment issue in April?

Provinces and Ottawa duel over university funding

GREG GAUDET
BARB TAYLOR

A political standoff and the failure of our two levels of government to take responsible action have delayed the negotiation of federal transfer payments for education. The governments have set April as yet another deadline for agreement.

As governments play with billions of dollars, students and faculty are concerned that the quality of library service, class sizes, high tuition fees and student aid will be pawns in these political games between the federal and provincial powers.

Admittedly difficult

The question of who has responsibility for post-secondary education originates in the overlapping of federal and provincial jurisdictions. Section 93 of the BNA Act classifies education as a provincial responsibility, but the federal government became involved during the second World War when it began collecting tax revenues, previously a provincial responsibility. These revenues formed the basis of the first federal/provincial arrangement to transfer money to the provinces for post-secondary education, as well as for other areas. The payments included a grant for education and health as well as an unconditional grant to compensate for the previously initiated tax reforms. Presently, the federal government claims that their contribution covers 86 per cent of education, while the provincial government claims that the federal government contributes only 60 per cent.

The transfer payment program, which began in 1972, provided one dollar of federal money for each provincial dollar spent on education in transfers, or \$15 per capita for disadvantaged provinces. Clearly however, provinces with a smaller tax base suffered as a result of this system as they had less money to allot for education and as a result, they received less from the federal government. And those with a smaller population did not benefit from the \$15 per capita grant.

Dissatisfaction with this programme intensified the federal-provincial struggle when the programme came up for renewal in 1976. Public attention to government negotiations increased not only for this reason, but also since increasing cutbacks through the 1970's had led to the creation of

new student organizations and faculty unions.

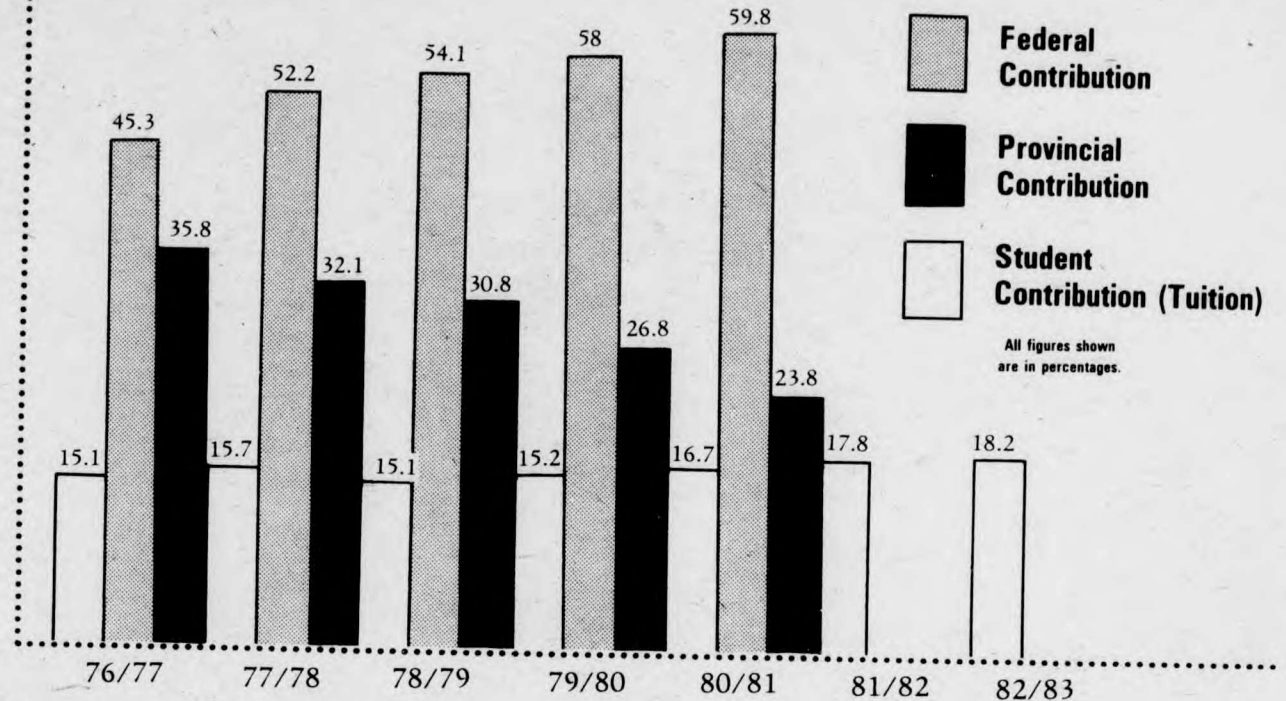
A new programme, the Established Programs Financing Act (EPF) was initiated in 1976. An increase in federal transfers to the provinces was tied to a figure that represented growth in the GNP since 1976. Because in that year, 32.1 per cent of total transfers went to education and 67.1 per cent to health, the federal government established those figures as guidelines for calculating future transfers. Although health payments continued to be a conditional grant, subject to national standards, education transfers became unconditional. As Prime Minister Trudeau said in 1976, "It also suits the current and future imperative in that the provinces will have a greater incentive to implement what are admittedly difficult measures designed to restrain spending in these fields to reasonable levels."

Brilliant tactical move

The unconditional grant enabled provincial governments to re-allocate into other areas, money intended for education. The Ontario Federation of Students estimates that \$103,867,000 was re-allocated between 1977 and 1981. Provincial governments, however, maintain that no funds were re-directed, claiming that the funds were never intended specifically for education and therefore were never "re-allocated".

Prior to the 1980/81 negotiations, the federal government expressed two other concerns with the arrangements. One was the lack of national standards. Since the provinces had cut educational funds for several years, they probably would not have met educational standards. Therefore, they opposed the federal proposals for such standards on the basis of the BNA Act.

The second problem was that the federal government indicated in the fall of 1980 that it would cut transfer payments by \$1.5 billion to \$11 billion. Consequently, public interest groups moved to strengthen their opposition: students consolidated their various provincial and national student groups under the umbrella of the Canadian Federation of Students while the faculty, research groups and students formed national and provincial lobbying coalitions.



Contributions to Ministry of Colleges and University Budget

As a result, the federal government established a Task Force on Fiscal Arrangements for public discussion and the Ontario government struck a special committee to examine the "Future Role of Universities in the '80's".

fifteen universities would have to be closed. But, while both levels recognized that there were problems in the system, neither one was willing to rectify the situation, and both attempted to gain student, faculty and general public support to

1981 federal budget estimates, a brilliant tactical move was made. Instead of cutting from the portions of EPF intended for education, then Finance Minister Allen MacEachen eliminated the Revenue Guarantee portion of the programme, which would have given the provinces \$5.7 billion over five years.

Ottawa claimed that these payments had been destined for general revenues of the provinces and that there was no reason for post-secondary education spending to decrease. The provinces, however, had been reducing their spending on post-secondary education and they argued that the federal move justified further cutbacks. At the time, Ontario Treasurer Frank Miller said that the cuts would mean increased user pay fees, that is, tuition fees.

The political stalemate continued and the negotiations were postponed until April 1983.

"Canadians are experiencing internecine government warfare over funding of universities in which both federal and provincial governments blame each other for any shortfall in university funding."

Canadian Association of University Teachers, 1983.

The federal Task Force concluded that "Any serious cuts in program funding would cut into muscle and sinew, not fat." The provincial report concurred, and said that if funding increases did not meet the level of inflation, five of Ontario's

condemn the other.

Public outcry increased, and for the first time, students organized national demonstrations involving over 20,000 people. The pressure was on, and the governments were forced to respond. In the November

Give it to 'em straight Mark

I wish to respond to Daniel P. Whiteman's letter to *Excalibur* Vol. 17 No. 21, (Feb. 24, 1983), "Find out name of these hate mongers."

In regards to why I have not investigated the incident of the lamb in Central Square with the same zeal as I did the "Bipin Lakhani affair", I quote directly from the last line of your letter: "I really don't care. i.e. Piss off."

Mark Pearlman
CYSF Director of
Academic Affairs

Lamb at York intolerable

I was heartened by Daniel P. Whiteman's comments regarding the "barbaric behaviour of certain imbecile students" who spray painted and led a terrified sheep through Central Square as a graphic example of their cause.

Such exploitation of an animal is intolerable and shows extreme lack of taste and lack of respect for living

creatures. I just wonder if the poor animal was offered food and water; or was it just considered a prop? This type of behaviour is in itself a graphic example of the disrespect for life which the Israeli-Palestinian issue has produced.

Margie Buttignol

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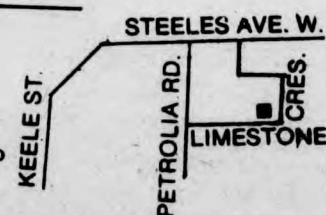
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