

# Banks gain clout in student lending

BY KATHARINE DUNN

On August 1, 1995, Canadian financial institutions began playing a much larger role in the student loan system sponsored by Ottawa.

In the past, the federal government was responsible for both the approval and the administration of money to students. However, loan defaults have cost the government over \$1 billion.

Under the new agreement, students deal directly with one of nine financial institutions who have agreed to participate in the program, including the Canadian Imperial Bank of Commerce (CIBC), the Royal Bank, and the

Bank of Nova Scotia.

All Nova Scotia provincial student loans are administered through CIBC because of a contract the provincial government entered into with the bank.

Peter McCreath, Regional Director of CIBC Corporate Communications, thinks that the changes are beneficial for the student simply because "...banks are in this business already and are able to administer the funds to students expeditiously."

"However, the banks are not involved whatsoever in the approval process. That is still up to the government," said McCreath.

The banks are being paid a premium by the government to take

on the risk of students who may default on their loans. With this new plan, Ottawa hopes that the financial institutions will do a better job in tracking down students when repayment time comes.

Students who are eligible to receive government loans must sign an agreement with one of the nine participating institutions before they are given access to funds. Since it delegates all Nova Scotia provincial loans, CIBC has established a National Student Center providing information about loan processing.

A table is set up in the Arts

and Administration building where the loan agreement can be signed. Students do not need an account at CIBC to have their loans processed there.

If the loan is from the federal government, processing does not have to be done through CIBC. However, students must sign an agreement at one of the other participating banks before receiving their money.

Several financial institutions, including the Bank of Montreal and Toronto Dominion Bank, have opted out of the new government plan and have started

their own loan programs with students in mind.

At the Bank of Montreal, students ineligible for the government sponsored loans can borrow up to \$5000 a year for four years. However, unlike the government loans, students must have a co-signer (or a well-paying job), and must begin paying interest immediately.

Many students on campus are impartial to the changes in the government loan program.

"I didn't even notice a difference. It was easy," said second-year student Jamie Robertson.

## CROSS-CANADA BRIEFS

### CASA and CFS at odds

BY SAMER MUSCATI

OTTAWA (CUP) — Bitter in-fighting between Canada's two national student organizations has left the credibility of the student movement tarnished at a time when students are under a hail of fire from government attacks to post-secondary education.

With no unified national student voice, the Canadian Federation of Students (CFS), and the Canadian Alliance of Student Associations (CASA), have engaged in a power struggle to see who will represent the student voice in future years, and there is no indication of any reconciliation in the near future.

The latest disagreement involves a "national referendum" being organized by CASA.

Students from 20 university campuses will be asked: "Which approach to higher education do you prefer: the Canadian Alliance of Student's (CASA), or the federal government's?"

The referendum will be held throughout October.

Guy Caron, chairperson of the Canadian Federation of Students (CFS), says that students who participate in the referendum will be choosing between two evils, since neither the government nor CASA have feasible proposals for accessible and affordable post-secondary education. The 59 member-campus of CFS will not participate says Caron.

Alex Usher, national director for CASA, says that the referendum is only one part of a bigger campaign entitled "Real Choices".

The focus of the national campaign is to raise awareness about federal budget cuts.

CFS is planning two national days of action and demonstrations to protest the cuts. The demonstrations are planned for Oct. 11 and Feb. 7.

### Ontario to axe grade 13 (again)

BY BETH AKLER

TORONTO (CUP) — An Ontario government recommendation to eliminate the fifth year of high school could make the transition from high school to university more difficult for some students.

Although no plan has been finalized, discussions are underway within the province's Ministry of Education to create a four-year secondary-school system which will continue to meet university entrance standards.

Aryeh Gitterman of the Ministry of Education admits that, while efficiency is not the only reason the government wants to implement this system, the four-year system will save some money.

Gitterman also maintains that the four-year system will continue to produce high-quality education and prepare students for the university challenge. "The goal is to maintain [university] standards but achieve them in less time."

Gitterman says that students graduating from a four-year high school system should have no trouble adapting into university life. "I am confident that students in Ontario can deal with it just like the rest of Canada."

Others, such as David Moss of the Ontario Secondary School Teacher's Federation, disagree with the claim that a four-year system is to the benefit of all students.

In an attempt to create a more efficient secondary-school system, students would be limited to a finite number of credits they can obtain.

According to a recent Royal Commission on Learning document, it should not take the majority of students longer than three years, beginning in Grade 10, to complete their diploma.

It further states that the student would only be allowed to add three extra credits to the required number.

It is these restrictions which anger Moss. By limiting the number of credits students can have, a four-year system will be inflexible to the needs of many students, he says.

However, he added that "the only way they can save [money] is if they absolutely restrict the time in high school."

## Budget blues buffet biology

BY SATYA RAMEN

Students got an unanticipated lesson in university economics last week when Dr. Brian Hall presented his Biology 3050 class with a breakdown of the money available to the Biology department.

The final figures show that the Biology department receives \$4 per student for supplies and materials costs.

Martin Willison, Chair of the Biology department, said that this puts the department in an "almost impossible situation".

One of the primary problems is that the number of students supported by each department is only indirectly taken into account when the yearly budgets are produced.

For example, if 600 students are biology majors, Dalhousie does not take a percentage of the \$3,585 paid in tuition and give it directly to the department. It is first dispersed to the Faculties before the departments.

This, Willison said, "is unfair to students," who pay tuition but are not able to get into their classes. Biology 1000 has the capacity to support 800 students; however, it currently holds around 855, with 30 people on a waiting list.

The biology department is considering a number of immediate solutions to the problem.

One proposed solution is to cancel 10 departmental phones, reducing the phone cost by \$2,500. This action would mean that the chair of the Biology department is the only department chair at Dalhousie without a telephone.

Another idea puts \$13,000 of the \$45,000 budget for new teaching equipment into the supplies and materials budget;

A third possibility is to ask professors to pay a voluntary tax of 10% to the Annual Fund on anything they earn from honoraria and private consulting.

The department could also use the estimated \$13,500 made

in the Annual Fund drive towards the supplies and materials budget.

Yet another solution is to increase lab fees, but this cannot be done until next year because any change in fees must be advertised in the calendar, so that students are not surprised by extra costs.

Finally, it was also proposed that BA students taking science courses should be charged a fee ranging from \$5-\$25, reflecting the fact that arts students pay a slightly lower tuition than science students. Such a fee won't be charged this year, but it is being considered for the future.

With all the different levels of budgeting, "there is no simple answer," says Willison, but cutting laboratories further is also not the answer.

The Faculty of Science has had to cap enrollment because it cannot support more students without compromising quality, says Warwick Kimmins, Dean of the Faculty of Science.

## Textbook prices on the rise

BY ANDREW SIMPSON

You might have noticed a headline in last week's edition of *the Gazette* that stated, Rising paper costs mean more expensive textbooks. Canadian publishers have been ringing the alarm bells, warning of a possible 10-15 per cent increase in the cost of textbooks.

The reported increases are due to a 25-30 per cent rise in the cost of paper. An increase in paper consumption and paper costs is expected following a recession, but such a large one in just a 12 month period has caught the publishing industry off guard.

Before you freak out, return all your texts and start making plans to photocopy your roommate's books, you should know that despite all of the talk about higher prices, you may have paid little more than would have paid last year for the same text.

Kathy Davidson of Harcourt Brace and Canada Company publishers said, "The situation is not as bad as it may seem. For many Canadian books, prices will remain stable this fall, as publishers may have forecasted the price increases and had longer print runs. However, prices will increase for 'mid range' books — texts which are not as widely used and therefore have shorter print runs. Costs to reprint these will be significantly higher."

Michelle Lassaline, supervisor of the Dalhousie University bookstore, admits, "There have been noticeable increases in the prices of some books, but I think when the publishers warned of a 10-15 per cent price increase, they were preparing everyone for the worst case scenario."

Sales so far during 'rush week' are up, but said Lassaline, "We will not have accurate numbers until after all the returns."

To give an example of how erratic the price increases have been, a text for Chemistry 1010 has gone up in price by almost ten dollars from \$87.75 to \$97.32, and the Psychology 1000 text has risen by just over three dollars from \$69.79 to \$72.85.

Meanwhile, the Commerce 1101/2 text remains the same price at \$64.69 and the Statistics 1060 text fallen in price by one dollar from \$71.62 to \$70.63.

Many of the price increases could be caused by factors other than higher paper prices.

"If a publisher prints an edition of a book in 1990 and then provides us with those books for five years, when they have to print a new edition in 1995, there is going

to be five years worth of inflation and other increased costs (including paper) to add to the price," said Lassaline.

The books that will likely cost students the most this year are those printed in the United States. Lassaline added, "Not only do we have to pay duty on books from the U.S., but their natural resources are in worse shape than Canada's and that means that paper costs are even higher down there."

Bookstore policy when a book arrives with an exceptionally high list price is to enquire first with the publisher and to then notify the professor.

"It is up to the professors. We notify them if the cost of one of their course texts is very high and it's up to them whether they choose an alternate text or stick with their original choice," said Lassaline.

*"When the publishers warned of a 10-15 per cent price increase, they were preparing everyone for the worst case scenario."*

— DAL BOOKSTORE SUPERVISOR  
MICHELLE LASSALINE