

news

Government diverting funds

By TIMOTHY LETHBRIDGE
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The provincial government is diverting \$20,000,000 of federal funding earmarked for post-secondary education.

These facts were revealed at a forum yesterday by MLA John McKay. The forum, sponsored by the SRC, was attended by 120 students and several faculty members. It was intended to be in conjunction with a boycott of classes, but most students in attendance said they did not in fact have any classes at the time.

Premier Richard Hatfield, who was invited, apologized for not being present. He said he did not want to be regarded as supporting a boycott of classes.

As well as McKay, who is the Liberal finance critic, Dr. Israel Unger, a university faculty member and former president of the Canadian Association of University Teachers, UNB SRC President Gerard Finnan and STU SRC president André Faust all spoke on the issue.

The first figures McKay presented compared the recommendations of funding increases by the Maritime Provinces Higher Education Commission to actual increases granted by the government. Over the past five years, the MPHEC has recommended a 71.1 per cent increase in total; the Progressive Conservative government has only given a 55 per cent increase to post-secondary education, while granting a 91 per cent increase for all other programs. This means the other programs have had funding increase at almost twice the rate of that for universities, said McKay.

McKay then went on to explain how federal and provincial contributions to post-secondary funding have varied. In 1976-77, the federal share of university funding was 56.75 per cent, for a total of \$39,575,000. At the same time the provincial government paid 17.49 per cent of university operating expenses for a total share of \$2,191,000. The other \$16,333,000 needed

to meet a total university operating budget in New Brunswick was obtained mainly from tuition fees.

In Nova Scotia at the same time, their provincial government was paying 27 per cent of university expenses, totalling \$30,000,000. McKay gave this figure as a comparison.

Since that time, said McKay, the provincial government has been reducing its share of funding. For four years it was simply paying out the money to the universities allocated by the federal government. However, now the government is not even passing on that amount, and is withholding \$20,220,000.

The federal government is now paying \$94,440,000, or 96.66 per cent of operating costs, while other sources make up \$21,617,000. These other sources are basically composed of tuition fees. McKay acknowledged if the provincial government was paying the full amount of money earmarked, and the operating budget of the universities was the same, students would hardly have to pay any tuition at all. Another way of putting this said McKay is that our tuition fees are in effect going to the provincial government, students are making up the difference the provincial government is refusing to pass on.

In Nova Scotia at the same time, said McKay, their provincial government has maintained funding from provincial sources. He said it has only increased from 27 per cent to 22 per cent since 1976.

The Conservatives have attempted to justify their procedures. McKay said the response he received was that the Conservatives feel students should not have a lesser part in paying for their education. They also feel that students aid is adequate and that tuition fees plus the amount they pass on to the universities is sufficient to meet their operating expenses.

The MPHEC is the body that

recommends how much the funding increase should be. McKay explained that gradually the funding increases have been falling behind the cost of living.

In 1976-77, the MPHEC recommended an 11 per cent increase. The government only granted eight per cent said McKay. The following year the government made up the shortfall to a certain extent; however in 1978-79 the MPHEC recommended an 11 per cent increase and the government gave a 7.8 per cent increase. At that time the inflation rate was eight per cent.

For the next two years the MPHEC has given recommendations well below the inflation rate. The government has granted these recommendations. Last year, said McKay, the government gave an 8.1 per cent increase while the inflation rate was 13 per cent.

The MPHEC has come under fire from many sectors for this, and some have recommended it be divested of its role in university funding recommendations. McKay said that if a Liberal government was elected, in the next provincial

election, it would look seriously at this issue.

McKay also cited one other example of how New Brunswick is getting a deal. Over the next few years, as things stand now, this province will receive less than the other provinces on a percentage increase basis from the federal government.

Israel Unger explained the history of post-secondary education funding. He said before the Second World War, universities were just finishing schools for the rich. After the war the returning veterans wanted to continue their education, so the federal government contributed \$100 per veteran. This eased the financial difficulties the institutions had previously experienced.

This funding was later replaced by a fifty cents per head of population in each province, and was then changed to a fifty-fifty cost-sharing program with the provinces. Under this system, the provinces would have incentive to give more money to the universities because they knew it would be paid for in

half by the federal government.

The federal government was not in favour of this as it cost them too much money, so it was replaced in 1972 with the Established Programs Financing System (EPF). New Brunswick, Nova Scotia and Newfoundland were given a special deal. Increases in federal transfers under this system were limited to 15 per cent, said Unger.

In 1977, a new system was introduced, tying transfers to increases in the Gross National Product. This deal expires at the end of this month.

Recent budgetary measures announced by federal finance minister Alan McEachan would cut 5.7 billion from the provinces, Unger went on. He said federal claims they are not cutting EPF funding are true, however they are cutting revenue guarantees the federal government introduces as a result of taxation changes in 1971. These guarantees are used by the province in the same way as EPF funds said Unger.

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Fight the cutbacks

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FREE LEGISLATIVE MAIL

Dear Premier Hatfield:

As leader of the government you are answerable to the people for your actions. The time has come for you to stop diverting money away from the Universities, and to start living up to the expectations of the voters.

To prove to you how outraged and discouraged I really am, on March 23rd I am joining the Faculty and Students from Universities across the Province for a protest in front of the Legislature.

Anxiously awaiting a response.

U.N.B. Student

Students pay more

By TIMOTHY LETHBRIDGE
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The Saint Thomas University students have voted to increase their SRC fees by \$10.

STU SRC President André Faust said this would bring in a much needed extra \$10,000 for the SRC, but he pointed out this has nothing whatsoever to do

with the SUB.

The vote, held Wednesday, was 169 in favor to 76 opposed.

Faust said had fees not been increased, the budgets of STU societies would have been cut back. In this case the Aquinian and CHSR-FM would have been the last to have felt the axe, he said.