

## **BUDGET COMMITTEE AGENDA**

39<sup>th</sup> Semi-annual National General Meeting of the Canadian Federation of Students  
Wednesday, May 9 to Saturday, May 12, 2001

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### **1. PREPARATION FOR COMMITTEE DELIBERATIONS**

#### **a. Ratification of the Committee Chair(s)**

Standing Resolution 1, Section 4 *Committee Chairperson* states that:

As its first order of business each standing committee shall either:

- a. ratify as the committee chairperson(s) the National Executive member(s) appointed to the committee; or
- b. elect a committee chairperson from within its membership.

#### **b. Review of the Committee Agenda**

#### **c. Review of the Committee's Terms of Reference**

Committee members should be familiar with the responsibilities of the Budget Committee as established in the Federation's Standing Resolutions. Standing Resolution 1, Section 3 (c) *Budget Committee* states that:

The **Budget Committee** shall:

- i. develop a draft budget for the upcoming fiscal year for submission to the closing plenary of the semi-annual general meeting;
- ii. review and recommend budget adjustments for the remainder of the fiscal year to the closing plenary of the annual general meeting;
- iii. assess the availability of funds for proposed projects and/or purchases, including donations; and
- iv. undertake long-term financial planning for the Federation.

### **2. REVIEW OF FINANCIAL DOCUMENTS AND ISSUES**

#### **a. Review of 2000-2001 Budget and Year-to-date Statements**

The Committee will review the current year's budget and the comparative year-to-date statements of revenue and expenditures.

#### **b. Overview of Current Financial Realities/Pressures (In-camera)**

#### **c. Presentation of Draft Budget**

The first draft of the 2001-2002 budget has been prepared by the National Executive. The Committee will receive an orientation to the draft budget.

### **3. REVISION OF 2001-2002 DRAFT BUDGET**

The Committee will revise the draft of the 2001-2002 budget for submission to the closing plenary.

### **4. OTHER BUSINESS**

### **5. ADJOURNMENT**



**MOTIONS TO CAMPAIGNS AND GOVERNMENT RELATIONS COMMITTEE**  
**All Africa Student Union**

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Whereas the All Africa Student Union (AASU), a regular coalition partner, is calling for support for its Campaign Against Violence Against Women; therefore

**Be it resolved that** a letter of support for the AASU Campaign Against Violence Against Women be sent; and

**Be it further resolved that** \$250 be donated towards the costs of printing materials for the campaign.

Whereas the All Africa Student Union (AASU), a regular coalition partner, relies largely on donations and grants to cover its operating expenses; and

Whereas in 1998 a donation of \$1000 was made to AASU, during a time in which AASU was experiencing a funding crisis; therefore

**Be it resolved that** a donation of \$750 be made to AASU for its work in defending students rights and democracy.

## **MOTIONS TO CAMPAIGNS AND GOVERNMENT RELATIONS COMMITTEE**

### **Plan Colombia**

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Whereas Plan Colombia is touted as a plan to combat the drug trade in Colombia;  
Whereas in fact Plan Colombia calls for further militarisation of the crisis in Colombia and will further escalate war and state repression against social and popular sectors;

Whereas the Continental Organization of Caribbean and Latin American Students (OCLAE), an organisation with which the Federation works in coalition, is calling for support for its campaign against Plan Colombia; and

Whereas the Colombian student movement observes June 8 as the Day for Freedom of Conscience and Defense of Life;

Whereas August 7 is observed as a day for life, liberty and public education, in memory of Gustavo Marulanda, Jesus Maria Valle Jaramillo, Eduardo Umana Mendoza and other students, faculty and defenders of human rights that have fallen as victims of state repression;

Whereas August 24 is observed as a day to assert the sovereignty of the countries of the Bolivarian (roughly, the Andean) region; therefore

**Be it resolved that** Plan Colombia be condemned;

**Be it further resolved that** the Government of Canada be called upon to end its support of Plan Colombia;

**Be it further resolved that** a statement of solidarity outlining this condemnation be issued on or before June 8;

**Be it further resolved that** on or before August 7, a statement commemorating the martyrs of the Colombian student movement and movements for democracy and human rights be issued;

**Be it further resolved that** on or before August 24, a solidarity delegation meet with consular or diplomatic officials of the Colombian and U.S. embassies in Canada to call for an end to plan Colombia and state-supported paramilitary attacks on student activists and others in Colombia;

**Be it further resolved that** member locals be encouraged to distribute information about Plan Colombia and the Federation's condemnation of the plan; and

**Be it further resolved that** member locals be encouraged to endorse and write letters in support of OCLAE's campaign against Plan Colombia.

Whereas the Continental Organization of Caribbean and Latin American Students (OCLAE), an organisation with which the Federation works in coalition, and other student organisations throughout the Andean region of Latin America have called for solidarity actions for their campaign against Plan Colombia; therefore

**Be it resolved that** \$1500 be allocated towards the OCLAE campaign against Plan Colombia, for the purposes of printing materials.

THE NATIONAL  
CAMPUS AND COMMUNITY RADIO ASSOCIATION

L'ASSOCIATION NATIONALE DES  
RADIO ETUDIANTES ET COMMUNAUTAIRES

February 8, 2001

Kerniel Aasland  
UWSA General Coordinator  
OR30-515 Portage Avenue  
Winnipeg, Man.  
R3B 2E9

Dear Mr. Aasland,

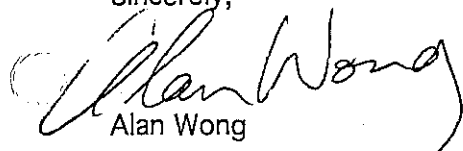
On behalf of the NCRA/ANREC, I would like to thank you for your campus's support of our organization and our sector. The UWSA's initiative has come as a very pleasant surprise to us, and we are overwhelmed by the generosity your student body has displayed in their positive response to the referendum.

Our members were impressed with the level of support given to CKUW by the UWSA when we attended our national conference in Winnipeg earlier this year. The thoughtfulness you have expressed towards campus and community radio stations shows us that there are student unions out there that truly believe in the values of a just society and those of us striving for social change.

The NCRA/ANREC welcomes your achievement with great enthusiasm, and look forward to the response of the CFS when you approach them about expanding your idea to other universities. We would be grateful to any university that is able to undertake an initiative similar to the UWSA referendum, and we offer our assistance to the organizers of such projects, if needed.

We certainly appreciate the support the CFS has bestowed upon us over the years, and we, in turn, support the many fantastic things they have done and continue to do for students and their rights across this country. Again, thank you for executing this inspiring project to benefit us. Should you require any help from us for any other endeavours you may be working on, please do not hesitate to ask. We are here for you as you have been for us.

Sincerely,

  
Alan Wong

Vice-President, External



NCRA/ANREC

[www.ncra.ca](http://www.ncra.ca)

Board of Directors/  
Conseil d'administration

President/Présidente

Fiona York

CKDU FM, Halifax/Atlantic

CKDU-FM Society

6136 University Avenue

Halifax, Nova Scotia

B3H 4J2 Canada

ph.(902) 494-6479

fax.(902) 494-1110

av680@chebucto.ns.ca

VP, Internal/Interne

Magnus Thyvold

CJSF FM, Burnaby/Pacific

VP, External/Externe

Alan Wong

CHSR FM, Fredericton/Atlantic

Treasurer/Trésorière

Chantelle Japp

CJAM FM, Windsor/Ontario

Secretary/Secrétaire

Russell Gragg

CFBU FM, St. Catharines/Ontario

Directors/Directeurs/Directrices

Aboriginal/Autochtone

Tina LaPratt

CJSR FM, Edmonton/Prairies

Francophone Contact/

Personne contact en français

Geneviève Isabelle Racine

CHUO FM, Ottawa/Ontario

Peig Abbott

CFUV FM, Victoria/Pacific

Rufo Valencia

CKUT FM, Montréal/Quebec

Susy Glass

CHRY FM, Toronto/Ontario

NCRC 2001 : National Campus and

Community Radio Conference

CHUO FM Ottawa, Ontario June 11-16



CKUW Campus Radio  
Room 4CM11- 515 Portage Ave.  
Winnipeg, Manitoba. - R3B 2E9  
Phone (204) 786 9782 - Fax (204) 783 7080  
[www.winnipeg.freenet.mb.ca/ckuw](http://www.winnipeg.freenet.mb.ca/ckuw)

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Date: May 8, 2001

To Whom it may concern;

CKUW is very excited to be part of the initial phase of the newly established NCRA innovation fund and alternative media levy. This levy when adopted on a national scale will open up huge opportunities for the NCRA and community media. Although some NCRA stations are based at smaller Universities, a rough calculation shows that if every NCRA campus were to pass such a resolution the NCRA would receive over \$50 000 a year to fund its activities. Further, if every CFS campus were to adopt the levy over \$100 000 could be given to fund advocacy and other NCRA activities.

CKUW is beginning to lobby other campuses across Canada to adopt this levy, starting with members of the NCRA and we are hopeful that the Canadian Federation of Students can see the potential for this program. Far from being the end product of a good idea, we see this levy as a starting point for innovative community media. On account of the grass-roots appeal of community media even a small amount of funding will allow the organization to work closer with and offer more active support of campus and community stations across Canada.

Finally, we encourage the Canadian Federation of Students to support the expansion of this levy to ensure strong independent future for community radio in Canada.

Sincerely;

A handwritten signature in black ink, appearing to read 'Rob Schmidt', with a long horizontal stroke extending to the right.

--Rob Schmidt, Station Manager

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## **APPENDIX 1: CAMPUS AWARENESS CAMPAIGNS**

The Federation has developed a number of standing campaigns. The campaigns, aimed at increasing awareness among members and the public about issues such as date rape, are modified from time to time to alter their primary emphasis.

### **a. "No Means No" Campaign**

#### **Context**

Date and acquaintance rape is prevalent on campuses across the country. In the early 1990s, a campaign entitled *Date Rape: No Means No* began to raise awareness about date rape and male violence.

#### **Campaign Goals**

The Federation seeks to:

- raise awareness among the membership and the public about date rape and male violence; and
- contribute to the eradication of rape and male violence.

#### **Implementation**

**Membership Mobilisation:** Member locals are encouraged to implement the suggestions contained in the campaign kit. The suggestions include but are not limited to the following:

- launching the campaign in local communities;
- organising information tables in residences, pubs/bars and other places frequented by students;
- distributing campaign materials to students at pubs and bars;
- directing or encouraging pub/bar managers to organise information sessions for on-campus bar staff;

**National Awareness and Media Strategy:** The existing "Date Rape: No Means No" campaign kit, including materials such as a poster, sticker, drink coaster and fact sheet, shall be updated, produced and distributed.

Member locals shall be encouraged to approach campus and local newspapers to suggest the publication of articles or features about the problems of date rape and male violence.

### **b. Where's the Justice for Aboriginal People?**

#### **Context**

In response to the crisis facing aboriginal communities, the federal government launched the Royal Commission on Aboriginal Peoples in 1991. The Commission engaged in 178 days of public hearings and visited 96 communities. Its findings document the appalling conditions in which most First Nations people live. The Report, published in 1996, made dozen of recommendations. To date, few of the recommendations have been implemented.

Instead, Aboriginal people in Canada and around the world continue to face violence, poverty, and discrimination.

#### **Campaign Goals**

The Federation seeks to:

- raise awareness among the membership and the public about the roots of the violence, poverty, and discrimination faced by aboriginal peoples in Canada and globally;
- support and participate in ongoing campaigns focusing on justice for Aboriginal peoples, such as the Campaign to Free Leonard Peltier; the Campaign for a Public Inquiry into the

- Death of Dudley George, the call for a public inquiry into the death of Anna-Mae Aquash, and the campaign for a public inquiry into the stand-off at Gustafsen Lake; and
- expose the record and policies of federal and provincial governments on issues relating to aboriginal peoples, and pressure these governments to implement the recommendations of the Royal Commission on Aboriginal Peoples.

### **Implementation**

**Membership Mobilisation:** Member locals are encouraged to implement the suggestions contained in the campaign kit. The suggestions include but are not limited to the following:

- implementing the campaign in conjunction with Aboriginal or First Nations students' organisations on campus;
- distributing campaign materials on campus and in the community;
- relating the campaign to local issues or events affecting Aboriginal peoples.

**Coalition Work:** The Federation shall participate in coalitions with Aboriginal organisations on matters of concern to First Nations peoples. The Federation has been working in coalition on such campaigns as the campaign to free Leonard Peltier; the campaign for a Public Inquiry into the death of Dudley George; the call for a public inquiry into the death of Anna-Mae Aquash; and the campaign for a public inquiry into the stand-off at Gustafsen Lake.

**National Awareness and Media Strategy:** A centrally-coordinated communications strategy shall include but not be limited to:

- promoting Aboriginal Awareness Day, June 21; and
- promoting the various coalition efforts and campaigns for justice for Aboriginal peoples.

Member locals shall be encouraged to approach campus and local newspapers to suggest the publication of articles or features about the topic of justice for Aboriginal peoples.

## **c. Positive Space Campaign**

### **Background**

Recent years have seen an increase in the amount of homophobic violence and hate literature on campuses, as reported by members of the \*TBLG constituency group. on several campuses across the country, "Positive Space" campaigns and "Ally" programs have been undertaken to support lesbian, gay, bisexual, transgendered, transsexual, and queer students. The \*TBLG constituency group feels that a Positive Space campaign would be most effective if coordinated from the national office.

### **Purpose & Goals**

The Positive Space campaign will aim to create campuses free from discrimination on the basis of gender identity and sexual orientation. The campaign will demonstrate a broad and visible commitment to welcoming sexual diversity and to making discussion of that diversity more open and less unusual.

### **Implementation & Materials**

The Federation shall develop the following materials to be distributed to the membership by Fall 2001:

- positive space campaign posters;
- positive space campaign stickers;
- positive space campaign pamphlets;
- trans awareness posters (i.e., transsexual and transgendered); trans awareness pamphlets;
- other campaign organising materials, including: a campaign checklist, a sample press release, and information related to national and provincial TBLG resources.



The campaign materials will be made available to member locals and to coalition partners, including: Equality for Gays and Lesbians Everywhere (EGALE); Canadian Labour Congress (CLC); National Action Committee on the Status of Women (NAC); Amnesty International; and similar local, provincial and national organisations.



# **CAMPAIGNS & GOVERNMENT RELATIONS COMMITTEE AGENDA**

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- b. elect a committee chairperson from within its membership.

### **b. Review of the Committee Agenda**

### **c. Review of the Committee's Terms of Reference**

Committee members should be familiar with the responsibilities of the Campaigns and Government Relations Committee as established in the Federation's Standing Resolutions. Standing Resolution 1, Section 3 (a) *Campaigns and Government Relations Committee* states that:

The **Campaigns and Government Relations Committee** shall:

- i. assess the recent and ongoing national campaigns of the Federation;
- ii. recommend to closing plenary at the semi-annual general meeting a campaigns strategy which includes but is not limited to goals of the strategy;
- iii. implementation of the strategy shall include:
  - research and information compilation to be undertaken
  - contact with government
  - membership mobilisation
  - media strategy
  - coalition work; and
- iv. review and recommend adjustments to the campaign strategy for the remainder of the academic year to the closing plenary of the annual general meeting.

## **2. DEVELOPMENT OF CAMPAIGN PLANS**

### **a. Review of 2000-2001 Campaign Strategy**

An update on the implementation of the 2000-2001 campaign strategy to-date will be provided.

### **b. Presentation of Draft 2001-2002 Campaign Strategy**

Each year the National Executive prepares a draft Campaigns Strategy for discussion. The Campaign Strategy forms the basis for the Federation's campaigns for the year to follow. The Committee will review the document.

## **3. MOTIONS REFERRED FROM OPENING PLENARY**

The following motions will likely be referred to the Campaigns and Government Relations Committee by the Opening Plenary:

### **a. Proposal to Support the Canadian University Press Innovation Fund**

#### **2000/11:N06 MOTION**

Local 08/

Whereas the student press is frequently unable to undertake innovative and radical activities because of financial constraints; and

Whereas Canadian Federation of Students and Canadian University Press support student democracy, freedom of expression, freedom of the press and would like to see more radical and innovative activities within the student press; therefore

Be it resolved that member locals be encouraged to create a 25¢ per student per year levy to be dedicated to the Canadian University Press Innovation Fund.

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**b. Proposal to Support the National Campus Radio Association Innovation Fund**

**2000/11:N07 MOTION**

Local 08/

Whereas campus radio stations are frequently unable to undertake innovative and radical activities because of financial constraints; and

Whereas Canadian Federation of Students and National Campus Radio Association support student democracy, freedom of expression, freedom of the media and would like to see more radical and innovative activities within campus radio; therefore

Be it resolved that member locals be encouraged to create a 25¢ per student per year levy to be dedicated to the National Campus Radio Association Innovation Fund.

**4. OTHER BUSINESS**

**5. ADJOURNMENT**

## **2001-2002 Campaigns and Government Relations Strategy**

### **1. a. "Forget the Freeze, Lower the Fees": CAMPAIGN TO REDUCE TUITION FEES**

"Students made it impossible for me not to reduce tuition fees."

— Newfoundland Premier Brian Tobin

#### **Context**

In the early to mid-1990s, the federal government made massive cuts to post-secondary education transfer payments to the provinces. In turn, most provinces passed the cost of those cuts on to students in the form of higher tuition fees. In response the Federation focused much of its campaigns and government relations work during the past five years on halting tuition fee increases and restoring federal transfer payments for post-secondary education.

The Federation's efforts have met with some success. Since 1996, tuition fees in British Columbia have been frozen, and a reduction is slated for this fall. In Newfoundland and Labrador, fees have been frozen for two years and a reduction has been promised. Manitoba reduced fees a year ago and will be freezing them at that level for the coming year. In Saskatchewan, the University of Regina did not increase fees this past year after the provincial government reneged on an election promise to reduce fees. Tuition fees at the University of Prince Edward Island were also frozen this past year. Tuition fees in Québec have remained frozen (for Québec residents) for close to a decade.

Meanwhile, the federal government has ceased cutting and has restored a small portion of the funds cut from transfer payments.

Most importantly, increased awareness about the effects of tuition fee increases on access has helped shift public opinion. Recent polling indicates that the vast majority of Canadians oppose further tuition fee increases and that roughly half support a reduction in fees.

Unfortunately, some provinces such as Ontario and Nova Scotia, have continued to raise fees and have deregulated some graduate, professional, and college fees. In addition, the hard-fought freezes and reductions that have been won in some provinces are under attack by those who would have students shoulder more of the funding burden.

The challenge for the Federation is to maintain the momentum towards lower tuition fees in provinces where freezes and reductions have already occurred and to create pressure in other provinces to reverse recent increases and to re-regulate deregulated fees.

#### **Campaign Goals**

The Federation seeks:

- reductions in tuition fees and ancillary fees at public post-secondary institutions across the country;
- an end to the deregulation of tuition fees;
- increased public funding to compensate for the reduced institutional funding resulting from fee reductions in order to ensure that quality is not jeopardised;
- restoration of federal government funding for post-secondary education;
- to expose the regional disparity with respect to access to post-secondary education and continue to build public support for reduced tuition fees nation-wide.

#### **Implementation**

While the majority of post-secondary education funding continues to be provided by the federal government, tuition fees are regulated by the provincial governments. Therefore, the national campaign on tuition fees will focus on provincial governments. The campaign will enable member locals to organise actions to coincide with specific provincial events.

The implementation of the campaign will be coordinated in each of the provinces and on a national level.

- **Research:** In the early 1990's when massive federal government cuts to post-secondary education resulted in skyrocketing tuition fees, the Federation articulated the view that rising fees would result in reduced access to post-secondary education. Now, in 2001, with fees having increased by an average of 126% nationwide, a wide variety of studies substantiate the view that an increase in fees precipitates declining rates of participation among low and middle income Canadians.

In its latest Education Quarterly report Statistics Canada reports a pronounced drop in participation rates from students who hail from low and middle income families. For the purposes of this study the cut off for low and middle income is household income of less than \$60,000. The decline in participation rates, recorded in 1999, was the first recorded decrease since Statistics Canada began tracking such data in 1965. In addition, several studies have been undertaken to examine the deregulation of tuition fees in Ontario. In each study, the investigators found a startling decline of students from lower and middle income homes.

As part of the campaign to reduce tuition fees, a compendium of research will be assembled to chart the correlation between rising fees and declining participation rates at Canadian colleges and universities. In addition, original research will be produced highlighting other adverse effects of tuition fee increases.

- **Government Relations Strategy:** Provincial lobby days will seek tuition fee freezes and reductions, ideally through legislation. Nationally, the Federation will continue to press for the restoration of federal transfer payments for post-secondary education in meetings with federal officials. The Federation will seek strong public infrastructure investments that represent new funding and that do not rely on corporate funds. Finally, coordinated action will be aimed at the annual Premier's Conference to demand a common statement calling for increased federal funding for education in order to reduce tuition fees.
- **Membership Mobilisation:**
  - Provincially-focused National Day of Action, Winter 2002:** Member locals will be encouraged to participate in a provincially-focussed National Day of Action. Other activities may include, but not be limited to, teach-ins, petition drives, and public forums.
  - Media Strategy:** The Federation has had significant success in raising the issue of tuition fees in the media and contributing to a growing discontent among the general population about exorbitant fees. Continued media coverage will foster growth of this sentiment.
  - The Federation will develop a centrally coordinated communications strategy that calls public attention to the impact of high tuition fees on accessibility of post-secondary education.
- **Coalition Work:** Member locals will be encouraged to solicit support through local coalition work.

## **b. "Life-Time Loans = Life-Time Debt": CAMPAIGN AGAINST INCOME CONTINGENT REPAYMENT (ICR) SCHEMES**

### **Context**

In 1955, the U.S. economist Milton Friedman devised Income Contingent Repayment Schemes ICR as a way to reduce the role of the state in financing education. Instead of public funding, Friedman proposed that there be full cost-recovery tuition fees. In order for students to pay for these vastly higher tuition fees, he proposed that they have access to large loans. Finally, he proposed that, in order for repayment of the loan to be manageable, the size of loan payments be based on each individual's level of income after graduation (i.e., income contingent).

Starting in the early-1990s, proponents have sought to gain support for ICR by exploiting the student debt crisis and by playing down the social benefits of an educated citizenry. Rather than being up front about their true purpose -- to shift the cost of education from the state to the individual -- they have tried to "sell" ICR schemes as flexible and fair student-aid plans that would allow student loan recipients to pay off their loans as their income allowed.

Under ICR, borrowers would repay their loans as a percentage of their incomes upon completion of study. Thus, graduates with lower levels of income would repay their loans over a longer period of time, while those in high-paying jobs could repay their loans quickly and avoid interest payments.

Those who could afford to pay their tuition fees up front would avoid the high interest rate payment after graduation, and end up paying less for post-secondary education.

Virtually all ICR models that have been considered in Canada and adopted in other parts of the world have had tuition fees increasing significantly. In fact, the ICR scheme is merely a way to ease the impact of fee hikes and hasten the underfunding of education. Most models replace loan plans that are interest-free during the period of study (such as Canada Student Loans) with loans that collect interest from the moment they are provided.

The Federation has helped stop ICR schemes in the past. However, in the recent federal election, the Canadian Alliance Party included ICR schemes in their education platform and there is strong evidence that they are being considered by both the federal, Ontario and Alberta governments.

### **Campaign Goals**

The Federation seeks:

- a halt to government initiatives to implement income contingent repayment loan schemes; and
- to raise awareness among the membership and the public about the dangers of ICR schemes.

### **Implementation**

The Federation will continue to lobby governments that present income contingent repayment loan schemes as a form of "student aid". The Federation will remain vigilant to ensure that ICR schemes do not surface in provincial budgets. In addition, as negotiations to harmonise provincial and federal student loans re-commence in fall 2001, the Federation will lobby the federal government to expressly exclude ICRs as a prerequisite to any harmonisation agreement.

**Research:** The Federation will continue to monitor the effects of ICR schemes in those jurisdictions outside of Canada where they have been implemented. In addition, the Federation will examine federal and provincial budget announcements to uncover similar methods of downloading the cost of education to students.

**National Awareness and Media Strategy:** The Federation will continue to distribute its factsheet "Income Contingent Repayment Loan Schemes" to member locals, to the public, to the media and to government officials.

Member locals will be encouraged to approach campus and local newspapers to suggest the publication of articles or features about the problems of income contingent repayment loan schemes and the negative effect of student debt on access.

## **2. "Stop the GATS": CAMPAIGN AGAINST THE GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)**

### **Context**

In recent years, the scope of free trade agreements has expanded rapidly. During this time, trade in services has played an increasingly significant role in the accords that are currently in effect and that are being negotiated. In particular, areas such as education, health care, and municipal services are the new targets of multinational corporations that see public services as opportunities for exploiting new profit markets and compromising national policies that promote and protect citizen rights to core social services.

In 1995, the Government of Canada became a signatory to the General Agreement on Trade in Services (GATS) through its membership in the World Trade Organization (WTO). The GATS – which forms the basis for any new trade in services – potentially covers all services, except those "provided in the exercise of governmental authority" if they are also "supplied neither on a commercial basis nor in competition with one or more service suppliers." Because public education and private education co-exist in Canada, this provision does not protect the public system from intrusion by private interests. Essentially, GATS regulations threaten to infringe on the ability of governments and municipalities to provide services, including public education, to residents.

Recent organising in opposition to free trade agreements has emphasized mobilising citizens to participate in demonstrations that are held in conjunction with meetings of national governments. In an attempt to avoid protests such as those that coincided with the WTO meeting in Seattle in 1999 and Québec City in April 2001, the next meeting of the WTO will be held in Qatar in November. Nevertheless, an inaccessible meeting site provides the opportunity for those opposed to free trade to focus on local organising.

## Campaign Goals

The Federation seeks to:

- raise awareness among members and the public about the potential impact of trade agreements concerning services on post-secondary education; and
- halt the threat posed to post-secondary education by international free trade agreements.

## Implementation

Beginning in fall 2000, the Common Front on the World Trade Organization (CFWTO), of which the Federation is a member, will be organising a series of public events across the country to examine the impact of the GATS on public services. The Federation will simultaneously launch provincial and national initiatives to implement the campaign locally.

**Research:** Research into the specific effects of the GATS on post-secondary education will be undertaken.

**Government Relations Strategy:** The Federation will lobby Federal governments to cease the GATS negotiations as they relate to education, health care and other social services.

The Federation will lobby municipal politicians to pass resolutions demanding that international trade agreements not interfere with locally provided services. Where appropriate, meetings will be arranged with provincial and federal officials to focus on the links between trade liberalisation and post-secondary education.

Finally, the Federation will join with the Canadian Association of University Teachers to seek a legal opinion on whether section 11C of the GATS precludes Canada from protecting education from the trade regulations and sanctions that govern the WTO.

### Membership Mobilisation:

- **"Stop the GATS!" Postcard Distribution:** The Federation will produce postcards calling on the Minister of Foreign Affairs and International Trade to stop the GATS negotiations. The postcards will be distributed to member locals in early September for orientation and welcome week events. The distribution and collection of the cards will be a major aspect of the organising efforts in fall 2001. The completed postcards will be collected, submitted to the national office and mailed to the Minister in advance of the World Trade Organisation meeting in Qatar, November 9-13.
- **"Stop the GATS!" Teach-In Events:** Member locals will be encouraged to participate in CFWTO public awareness events, and community organising activities that support such actions.
- **International Student Statement on Trade Liberalisation:** The Federation will lead the efforts to develop an International Student Statement on Trade Liberalisation. This statement will be drafted by the Federation and members of the Organisation of Caribbean and Latin American Students (OCLAE). Member locals will be encouraged to pass resolutions supporting the statement and to forward those resolutions on official letterhead to the national office of the Federation.
- **International Student Day of Action Solidarity Campaign, November 17, 2001:** On Saturday, November 17, 2001, students throughout the Americas will be participating in a day of action against the privatisation of post-secondary education. In order to support the organising initiatives of students in South and Central America, members will be encouraged to show solidarity through a coordinated fax-out of signed copies of the International Student Statement on Trade Liberalisation to the Canadian government and each of the embassies of the 33 other countries of the Americas. The Federation will provide fax information and will set up a web link for individual students to send faxes to the various ministers of international trade.

**National Media Strategy:** The Federation will use the media attention surrounding the World Trade Organisation meeting in November to generate interest in post-secondary education issues.

The Federation will develop a centrally-coordinated communications strategy that calls for the exclusion of education from international free trade agreements.

**Coalition Work:** National coalition work will be conducted through participation in the Common Front on the World Trade Organization. Provincial components will be encouraged to work with provincial anti-free trade coalitions.



### **3. "Keep the Public in Post-secondary Education": CAMPAIGN AGAINST PRIVATE POST-SECONDARY EDUCATION**

In December 2000, the government of Ontario passed legislation approving the establishment of private, degree-granting post-secondary institutions, including for-profit and not-for-profit operations. For the first time in the history of public education in Canada, privately-owned and operated enterprises will be allowed unregulated degree-granting status. While private colleges have existed in Canada for the past two decades, the introduction of private, degree-granting institutions represents a significant change in public education in Canada. This spring, the Alberta government bestowed for-profit, degree-granting status upon Devry Institute—the first in Canada.

There are already thousands of registered privately-funded vocational schools across the country, some of which call themselves "colleges." These vocational schools are actually privately-owned businesses operated as commercial for-profit enterprises. With the changes in Ontario and elsewhere, these companies could become legally recognised universities.

Government policymakers argue that private universities and colleges increase the choices available for students. However, that choice is only available for those who can afford it. By conservative estimates, the total annual cost of a private, for-profit post-secondary degree will be \$40,166 to \$160,664 for a four-year undergraduate degree.

There is a growing reliance on the private sector to replace public services. The introduction of private institutions is merely one aspect in the gradual erosion of public services. In recent years there has been a growing trend to implement public-private partnerships in all new federal infrastructure and research investments. This is also the case in many provinces.

#### **Campaign Goals**

The Federation seeks to:

- raise awareness among the membership and the public about how private, for-profit post-secondary institutes are profiting with the use of public funds and precipitating the decline of public education;
- raise awareness among the membership and the public about the implications of the privatisation of education;
- end the designation of private, for-profit post-secondary institutions as eligible to receive funds through provincial student loans programs, the Canada Student Loan Program, and other sources;
- halt the establishment or expansion of private degree-granting institutions; and
- oppose the linking of funding to key performance indicators.

#### **Implementation**

**Research:** Research will be conducted on the ways in which private, for-profit post-secondary institutes restrict access to post-secondary education. This will include an analysis of user fee increases, declining funding for public institutions, demographic trends in access to higher education, and expenditure of public funds to subsidise private enterprises offering post-secondary education. In addition, a tabulation will be prepared on the public subsidies flowing to the for-profit education industry.

Research will be undertaken on the history of private education, the development of public education, and the threats to accessibility and quality of education posed by private post-secondary institutions.

**Government Relations Strategy:** Pressure will be exerted on federal and provincial governments to end the designation of private, for-profit post-secondary institutions as eligible to receive funds through provincial student loans programmes and the Canada Student Loan Program. Governments will also be pressured to prevent the expansion of the private post-secondary education system.

Pressure will be exerted on provincial and federal governments to reject the establishment or expansion of private institutions. Government representatives will be furnished with the Federation's rationale for rejecting private post-secondary education.

**Membership Mobilisation:** Member locals will be encouraged to:

- distribute materials exposing private, for-profit education;
- organise public forums dedicated to raising awareness among the membership and the public of private, for-profit education; and

- organise letter-writing/fax/email campaigns directed at government, demanding an end to private, for-profit education.

**National Awareness and Media Strategy:** A centrally coordinated media strategy will focus on the threats of private, for-profit education to the public system.

**Coalition Work:** Member locals will be encouraged to:

- build on-campus coalitions, including representation from groups such as faculty unions, support staff unions, teaching assistant/graduate assistant/research assistant unions, student service centres, and public interest research groups (PIRGs); and
- work with off-campus coalition partners to solicit support for the campaign opposing the privatisation of social programs and public services and to share information.

#### 4. "Straight to the Core":

### **CAMPAIGN FOR INFRASTRUCTURE FUNDING FOR POST-SECONDARY EDUCATION**

#### **Context**

Over the past decade, the federal government has cut over \$24 billion from cash transfers to the provinces. At 14 per cent of economic output (GDP), federal social program spending is lower now than at any time since the 1940s. In total, over \$7 billion has been cut from post-secondary education and training since 1993. To compensate for the shortfall in federal funding, most provinces increased user fees for social programs. On average, tuition fees have more than doubled over the past ten years. In addition, reeling from years of funding cutbacks, many of Canada's publicly funded colleges and universities are succumbing to the overwhelming pressure to become research labs and training grounds for private, for-profit corporations.

Public opinion polls have consistently shown that Canadians value a reinvestment in education and health care over greater tax cuts. Despite this, in the last federal budget, the Liberal government allocated almost all of the \$12 billion surplus to tax cuts.

Advocates of the market economy continue to call for the implementation of commercial models of managing higher education, such as full cost-recovery user fees and income-contingent loan repayment plans. All of these trends and pressures threaten governments' ability to maintain a public education system, to ensure standards exist within this system, or to preserve public accountability.

#### **Campaign Goals**

The Federation seeks:

- the immediate restoration of \$3.7 billion in transfer payments to the provinces;
- the restoration of federal funding at 1993 levels (adjusted for population growth and inflation);
- the investment of core institutional funding that is not contingent to partnerships of any kind; and
- government investments in college and university infrastructure with new funding that does not require private partnerships.

#### **Implementation**

**Government Relations Strategy:** The Federation will continue to lobby the federal government for the restoration of cash transfers to the provinces and for greater influence over how that money is spent. The Federation will oppose the linking of federal funding to private sector (or other) partnerships.

Provincial components will coordinate lobby days. The primary demand will be a substantial government reinvestment in post-secondary education.

In addition, provincial components will target the Annual Premier's Conference. The Premiers will be asked to issue a common statement calling for increased federal funding for post-secondary education.

Appropriate meetings will be arranged with federal elected representatives and bureaucrats. These meetings will focus on restoring federal funding to higher education.

**Membership Mobilisation:** Member locals will be encouraged to participate in provincial days of action or other tactics which may include, but are not be limited to, teach-ins, petition drives, and public forums. These actions will occur in Winter 2002.

**National Awareness and Media Strategy:** The Federation will develop a centrally coordinated communications strategy that continues to call public attention to the impact of government cuts on the quality of post-secondary education.

**Coalition Work:** Member locals will be encouraged to solicit support through local coalition work.

## **a. "Grants Not Loans":**

### **Campaign for a National System of Need-Based Grants**

#### **Context**

Canada is one of only three industrialised countries in the Organisation for Economic Cooperation and Development (OECD) that does not have a national system of student grants. Virtually all European and South American countries, as well as the United States, have grants programs. In Canada, 80% of students require some financial assistance. Three-quarters of those receiving student loans believe they would be unable to participate in higher education without this assistance. However Canada has not re-implemented a grants system.

A national system of need-based grants would immediately reduce the daunting debt level students carry. Currently, the federal government spends \$1.3 billion each year to administer the Canada Student Loans Program. The Federation estimates the cost of a national grants program to be \$1.2 billion. In addition, for every dollar allocated in grants, savings will also be realised in reduced administrative costs, educational tax credit claims and payments to banks.

#### **Campaign Goals**

The Federation seeks:

- the establishment of a national system of grants to replace the Canada Student Loans Programme; and
- to raise awareness among students, the general public and decision-makers about the need to address the crisis of student debt in more constructive and direct ways.

#### **Implementation**

**Government Relations Strategy:** The Federation will continue to lobby the federal government and Human Resources and Development Canada for a national system of need-based grants.

**Research:** The Federation will continue to conduct research into the effects of student debt on accessibility to public post-secondary education and to produce a viable model for national grants to replace government loans.

## **b. Campaign for the Public Administration of the Canada Student Loans Program**

#### **Context**

In 1995, the federal government abandoned its responsibility for the Canada Student Loan Program (CSLP) and negotiated a lucrative five year contract with Canada's chartered banks. During that contract, the goal of the banks was to turn a social program into a profit-making venture. In doing so, they undermined the original mandate of the Canada Student Loan Act, which was to improve access to education. In addition, the chartered banks provided very poor service to students and leveraged the government to implement a series of detrimental changes to the program. Namely, the government introduced credit checks on student loans and amended the Bankruptcy and Insolvency Act to include a ten-year ban on the discharge of student loans.

The Federation has actively lobbied against the involvement of chartered banks in the administration of a public service and has continually argued that these policy changes were made to appease the banks. The Federation challenged the government to reverse these changes in the aftermath of the banks' withdrawal from the programme and since they no longer have influence on policy.

February 28, 2001, was the official starting date for the latest changes to the public administration of the CSLP. Under the new model, the federal government has been forced by the bank pull-out to "directly finance" the program. This means that the system will once again be publicly funded and controlled.

Since March 2000 the Federation has been sitting on a stakeholder task force to advise Human Resources Development Canada (HRDC) on the implementation of a new Canada Student Loan Program. This task force is part of the National Advisory Group on Student Financial Assistance (NAGSFA).

After five years of secrecy and bad service when the banks administered the CSLP, Federation members have cause to be more optimistic that the new agreements will restore accountability and transparency to the Canada Student Loan Program.

### **Campaign Goals**

The Federation seeks:

- the establishment of a national system of grants to replace the Canada Student Loans Programme;
- as an interim measure, the maintenance of a publicly administered Canada Student Loans Programme which does not involve risk-sharing agreements with chartered banks; and
- the gathering of accurate and full statistics on the degree to which the public is subsidising both public and private institutions; and
- to raise awareness among students, the general public and decision-makers about the need to address the crisis of student debt in more constructive and direct ways.

### **Implementation**

**Government Relations Strategy:** The Federation will continue to sit on the National Advisory Group on Student Financial Assistance, meet regularly with the Minister and senior bureaucrats of Human Resources and Development Canada, and lobby the government to ensure that the Canada Student Loans Program remains public.

**Research:** The Federation will continue to conduct research on the role of the loans system in the accumulation of student debt and the relationship between private, for-profit sub-contractors and HRDC program administration.

**National Awareness and Media Strategy:** Member locals will be encouraged to distribute Federation fact sheets and membership advisories on the changes to the CSLP so that their members are aware of the effects of the program changes on their own financial situations.

## **c. Campaign Against Registered Education Savings Plans (RESPs) and Canada Education Savings Grants (CESGs)**

### **Context**

The existing national system of indirect grants, the RESP program, should be terminated and the existing national system of direct grants, the CESG program, should be cancelled. In place of the elitist RESP/CESG the Federation proposes the establishment of an equitable needs-based system of national direct grants - the Canada Student Grants Program. The national grants program proposed by the Federation will be equitable, will cost no more than the current elitist system, and will provide greater access to post-secondary education.

### **Campaign Goals**

The Federation seeks:

- termination of the Registered Education Savings Plans program;
- cancellation of the Canada Education Savings Grants program; and
- establishment of a national system of grants to replace the Canada Student Loans Program.

### **Implementation**

**Government Relations Strategy:** The Federation will continue to lobby the federal government and Human Resources and Development Canada for a national system of need-based grants.

**National Awareness and Media Strategy:** Member locals will be encouraged to distribute Federation fact sheets and membership advisories on the RESPs and CESGs so that their members and the media are aware of the discriminatory advantage that such programmes give to those who are the most privileged in our society.

## **5. CHARTER CHALLENGE TO TEN-YEAR BAN ON STUDENT LOAN BANKRUPTCY**

### **Context**

Recent amendments to sections 178(1)(g)(ii) and 178(1.1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c.B-3 make student loans non-dischargeable for a period of ten years after a student has ceased full or part-time studies. These provisions create a distinction between student debtors and consumer debtors in general.

Section 178 violates historic and evolving notions of fairness and justice that are guaranteed by section 7 of the *Canadian Charter of Human Rights and Freedoms*. First, the most recent amendments to section 178 did not receive adequate public consultation. Second, these amendments have resulted in an unequal application of the law. In fact, the federal government has acknowledged that high student loan debt may limit former students' access to credit as well as their ability to follow chosen careers.

The Federation has adopted the position that the recent amendments to the *Bankruptcy and Insolvency Act* are unconstitutional and will continue to challenge the provisions.

### **Campaign Goals**

The Federation seeks:

- repeal of the ten-year ban on student loan bankruptcy; and
- tangible measures to relieve student debt.

### **Implementation**

**Government Relations Strategy:** Pressure will be exerted on the federal government to voluntarily review and repeal its decision to implement any restrictions to students' rights to avail themselves of reasonable protection from debt under the *Bankruptcy and Insolvency Act*. The *Charter* challenge to effect the repeal of the ten-year ban on student loan bankruptcy will continue.

**National Awareness and Media Strategy:** A communications strategy around the various stages of the challenge will be developed and implemented. Member locals will be encouraged to gather names and contact information of students and recent graduates willing to discuss the student debt crisis with the media.

## **6. NATIONAL SYSTEM OF STANDARDS FOR POST-SECONDARY EDUCATION AND RESEARCH**

### **Context**

For more than a decade, the Federation has called for the establishment of a national system of standards for post-secondary education and research. The Federation proposes that a Ministry of Post-Secondary Education and Research be established and that a Post-Secondary Education Act, based on the principles of the Canada Health Act, be developed and implemented.

Currently, the Canada Student Loans Program, the Millennium Scholarship Foundation and training programmes fall under the purview of Human Resources and Development Canada, while university research and new initiatives in the area of on-line learning fall under the mandate of the Ministry of Industry. As a result, the federal government lacks a coherent national vision for post-secondary education and research,

### **Campaign Goals**

The Federation will continue to seek the establishment of:

- a Ministry of Post-Secondary Education and Research;
- a Post-Secondary Education Act;
- national standards for quality and accessibility in post-secondary education and research; and
- national policy on intellectual property and academic freedom.

### **Implementation**

**Research:** The Federation will draft an act of parliament on post-secondary education and research.

**Coalition Work:** The Federation will work with other post-secondary education sector organisations to develop and present a draft act.

**Government Relations Strategy:** The Federation will exert pressure on the federal government to ~~take an active role in establishing accountability and equity in post-secondary education among the provinces.~~

**National Awareness and Media Strategy:** The Federation will develop a communications strategy that illustrates the need for national standards in post-secondary education and research. The Federation will continue to expose the drastic disparities in accessibility and quality of post-secondary education among the provinces, focusing on such areas as the Millennium Scholarship Fund, tuition fees, and student debt, and will demonstrate how federal inaction has led to these disparities.

# **NATIONAL EDUCATION & STUDENT RIGHTS COMMITTEE AGENDA**

39th Semi-annual National General Meeting of the Canadian Federation of Students  
Wednesday, May 9 to Saturday, May 12, 2001

## **1. PREPARATION FOR COMMITTEE DELIBERATIONS**

### **a. Ratification of the Committee Chair(s)**

Standing Resolution 1, Section 4 *Committee Chairperson* states that:

As its first order of business each standing committee shall either:

- a. ratify as the committee chairperson(s) the National Executive member(s) appointed to the committee; or
- b. elect a committee chairperson from within its membership.

### **b. Review of the Committee Agenda**

### **c. Review of the Committee's Terms of Reference**

Committee members should be familiar with the responsibilities of the National Education and Student Rights Committee as established in the Federation's Standing Resolutions. Standing Resolution 1, Section 3 (b) *National Education and Student Rights Committee*, states that the sub-committee "shall review and make recommendations to closing plenary on proposed amendments to the issues policy of the Federation, as proposed by Committee members and member locals on plenary floor."

## **2. MOTIONS REFERRED FROM OPENING PLENARY**

The following motion will likely be referred to the National Education and Student Rights Committee by the opening plenary.

### **a. Proposal to Adopt Policy on Income Contingent Loan Repayment Plans**

#### **2000/11:NE-1 MOTION TO ADOPT POLICY**

Local 23/Local 35

Be it resolved that the policy on Income Contingent Loan Repayment Plans be repealed.

Be it further resolved that the following policy on Income contingent Loan Repayment schemes be adopted:

#### **Preamble**

First introduced in 1955 by U.S. economist Milton Friedman, a leading proponent of supply side economics, Income Contingent Loan Repayment Plans (ICLRPs, also referred to as "Income Sensitive") were devised as a way to shift the cost of an education from the state to the individual. This shift would result in increasing the cost of education and student debt loads. Friedman proposed that, in order to bear the increased financial load, students should have access to loans so large that they would only be manageable if the repayment was scaled to the level of students' income after graduation.

Supporters of ICLRP's characterise the plan as a fair and flexible model of student aid. But, ICLR models are mechanisms to raise institutional revenue through emphasis on debt management, rather than acknowledging the crisis of debt accumulation. Shifting the cost to students would only place upward pressure on user fees, further increasing debt loads. In other countries where ICLRP's have been implemented, such as Australia, New Zealand, and the United Kingdom, the corresponding tuition fee increases have been dramatic, some as high as 500% in one year.

Borrowers with lower incomes after graduation repay their loans over a longer period of time, thus accruing more interest than graduates with high post-graduate incomes who are able to repay their loans more quickly. The result is borrowers who earn more money would pay less for their education. Ultimately the Plans would discriminate against disadvantaged groups in Canada, who continue to suffer from wage inequity. Consequently, it is likely that many people will select their field of study based on a rough estimate of future earnings, rather than personal interest.

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Historically, when ICLRPs have been considered in Canada, the reaction has been overwhelming. When the federal Liberal government attempted to introduce the Plans in 1995, the Federation mounted a massive campaign and successfully defeated their implementation. In 1996, the provincial government in Ontario also proposed ICLRPs but met resistance from students, and unwillingness from the banks.

**Policy**

The Federation opposes Income Contingent Loan Repayment Plans and related repayment schemes that extend debt repayment, rather than reduce student debt.

The Federation supports a system of national grants.

**b. Proposal to Amend Policy on Student Financial Assistance**

**2000/11:NE-2 MOTION TO AMEND POLICY**

Local 75/Local 23

Be it resolved that the following policy on Registered Education Savings Plans and Canada Education Savings Grants be adopted:

**Registered Education Savings Plans**

**Preamble**

Similar to Registered Retirement Savings Plans, though not tax deductible, Registered Education Savings Plans (RESPs) allow a contributor to save for a child's post-secondary education. Under current rules, contributors can devote a maximum of \$4,000 per year for a lifetime limit of \$42,000. Savings grow tax-free until the beneficiary is ready to attend an eligible post-secondary institution as a full-time student. Contributors may invest in RESPs for 21 years but the RESP must be collapsed after 25 years.

RESPs are a national system of indirect grants: income generated by the RESP accumulates tax-free. The foregone tax revenue is tantamount to a grant payable to RESP investors. This indirect grant would only be available to individuals or families wealthy enough to continually set aside significant amounts of disposable income.

**Policy**

The Federation is opposed to privately funded savings plans for post-secondary education.

The Federation is opposed to the need for individuals to open privately funded savings plans for post-secondary education, as it ignores the need for a system of national grants.

**Canada Education Savings Grants (CESGs)**

**Preamble**

Introduced in the 1998 federal budget, CESGs are a direct grant paid out to those wealthy enough to afford RESPs. The federal government contributes 20% of the first \$2,000 invested into a RESP. Under this model, as much as \$400 is contributed each year for a maximum of 17 years, totalling \$7,200 per child. As with the RESP, this money is accumulated tax-free. If no child claims the money by attending college or university, the grants must be repaid, but not the income generated by the grant money.

Both the RESP and the CESG are statutory programmes, meaning that the government must budget as if all eligible Canadians will pay into the plans at the maximum amount. In 2000-2001 alone, the government budgeted \$2,885,617,200 for the CESG. If the government were to establish a Canada Student Grants Programme with that money, the Federation calculates that almost 50% of Canadian post-secondary students would receive a grant of \$4,000.

Registered Education Savings Plans and the CESGs are wholly inadequate methods to ensure access to post-secondary education because they are a grant for upper-middle class families. Contributors who can invest the most, benefit the most. Moreover, since the only requirement for a benefactor's access to the funds is that she must be enrolled on a full-time basis, public funds accrued through the



tax-free status of RESPs/CESGs may potentially subsidise universities outside Canada, or private institutions within Canada.

**Policy**

The Federation is opposed to federal contributions of public funds towards privately funded savings plans for post-secondary education.

**c. Proposal to Adopt Policy on Instructor Evaluations**

**2000/11:NE-3 MOTION TO ADOPT POLICY**

Local 75/Local 23

Be it resolved that the following policy on Instructor Evaluations be adopted:

**Preamble**

Since the 1960's, students have been seeking to achieve a stronger voice in the governance of universities. Teaching surveys were promoted as a way of ensuring that the student perspective would be taken into account in evaluating their instructors. Currently, student concerns about accountability have increased demand for anonymous teaching evaluations.

Anonymous student ratings of teaching are widely used in post-secondary institutions to evaluate teaching. Many different questionnaires are employed, and procedures governing their use are highly variable. Generally two important but distinct functions are served: formative and summative. Formative feedback provides direction to instructors to help them to improve their instruction. Summative feedback is information for the evaluative purpose of personnel decisions and students' course selection.

Given the structure and design of the majority of evaluations, the results of these measures can most accurately be described as a summary of students' attitudes or opinion towards the course and the instructor, rather than the amount of learning which has occurred. As such, results of instructor evaluations should be considered a very blunt instrument for measuring teaching effectiveness.

The complexities in the teaching-learning environment should demand additional caution to be exercised in the interpretation of teaching evaluation results. For example, an evaluation based on a market-based relationship that emphasises student satisfaction clearly characterises students only as "consumers" of a teaching "product". Such limitations only dampen experimental teaching styles that challenge or provoke students. Ultimately this framework will create subtle pressure on faculty to grade leniently, thereby subverting the educational experience in favour of the lowest common denominator.

There is also evidence that women and minority faculty members may be evaluated by students in ways that their colleagues are not. This can be especially problematic in situations where these faculty, by virtue of their minority status, do not conform to conservative student expectations for their instructors.

**Policy**

The Federation supports the use of anonymous instructor evaluations for formative purposes.

The Federation recognises the limited utility of anonymous instructor evaluations to measure teaching effectiveness, where evaluations are employed for summative purposes. Any procedure for the evaluation of teaching should take into account all relevant sources of information about teaching.

The Federation recognises the right of faculty and teaching assistant unions to negotiate guidelines for the use of instructor evaluations in collective agreements.

**3. OTHER BUSINESS**

**4. ADJOURNMENT**

1871-1872

1871

1872

# **ORGANISATIONAL DEVELOPMENT COMMITTEE AGENDA**

39<sup>th</sup> Semi-annual National General Meeting of the Canadian Federation of Students  
Wednesday, May 9 to Saturday, May 12, 2001

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## **1. PREPARATION FOR COMMITTEE DELIBERATIONS**

### **a. Ratification of the Committee Chair(s)**

Standing Resolution 1, Section 4 *Committee Chairperson* states that:

As its first order of business each standing committee shall either:

- a. ratify as the committee chairperson(s) the National Executive member(s) appointed to the committee; or
- b. elect a committee chairperson from within its membership.

### **b. Review of the Committee Agenda**

### **c. Review of the Committee's Terms of Reference**

Committee members should be familiar with the responsibilities of the Organisational Development Committee as established in the Federation's Standing Resolutions. Standing Resolution 1, Section 3 (d) *Organisational Development Committee* states that:

The Organisational Development Committee shall:

- i. review and make recommendations to closing plenary on the national structure of the Federation, including:
  - the National Executive;
  - the national staffing;
  - the national office; and
  - all other national structures of the Federation;
- ii. review and make recommendations to closing plenary on the national programmes of the Federation;
- iii. review the development of the 'profile' of the Federation within member local associations;
- iv. review and make recommendations to closing plenary on the national communication tools of the Federation;
- v. review and make recommendations on development of new members;
- vi. review and make recommendations to the closing plenary on proposed amendments to the Constitution and Bylaws, Standing Resolutions and Operations Policy.

## **2. REVIEW OF FEDERATION PROGRAMMES**

### **a. International Student Identity Card**

An update on the 2000-2001 International Student Identity Card programme will be provided.

### **b. National Student Health Network**

An update on the status of the Federation's health plan network will be provided.

### **c. Studentsaver Discount Programme**

The Committee will discuss the implementation of the 2001-2002 Studentsaver programme.

## **3. REVIEW OF MEMBERSHIP DEVELOPMENT STRATEGY**

The Federation is best described as 'a partnership of students' unions.' Each member local of this partnership pools resources to undertake work at the provincial and national levels. Just as it is the responsibility of each member local to promote the work that is undertaken at the local or campus level, so too is it the responsibility of the member local to promote the work that is undertaken at the provincial and national levels.

Over the years, member locals have developed means to entrench the profile of the work that it undertakes at the provincial and national levels. The Membership Awareness Strategy, first passed at the May 1997 national general meeting, seeks to formalise practises that member locals can undertake to increase the profile of the work they do at the provincial and national level. The Strategy is divided into a preamble and two main components: Raising Awareness

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Among Elected Officials and Raising Awareness Among Membership on Campus, each with a checklist of reminders for member locals' convenience.

The Committee will review the Membership Awareness Strategy and discuss the implementation of the various recommendations.

### **4. MOTIONS REFERRED FROM OPENING PLENARY**

The following motion will likely be referred to the National Education and Student Rights Committee by the opening plenary.

#### **a. Proposal to Explore a Joint Internet Site with Canadian University Press**

##### **2000/11:N05 MOTION**

Local 08/

Whereas the Canadian Federation of Students and the Canadian University Press support student democracy, freedom of expression and freedom of the press;

Whereas both Canadian Federation of Students and Canadian University Press provide services through the internet that frequently serve similar goals and help similar student bodies; and

Whereas Canadian Federation of Students and Canadian University Press could realise benefits through the pooling and sharing of resources and services; therefore

Be it resolved that the option of combining the Federation's internet site and internet service provider with Canadian University Press be explored.

#### **b. Proposal Concerning Access to Canadian University Press Newswire**

##### **2000/11:N16 MOTION**

Local 79/Local 94

Whereas the Federation supports the Statement of Principles of Canadian University Press (CUP); and

Whereas communication is a powerful tool for member locals; and

Whereas CUP provides a central arena for communicating news and information regarding students issues amongst Canadian universities; and

Whereas the Federation and its campaigns are often the topic of new items or articles which are communicated to CUP members, and that would consequentially serve as an invaluable tool for Federation member locals across the country as well; and

Whereas access to the CUP wire is difficult for many locals because they do not have a newspaper on campus and therefore, do not have access to the CUP wire; therefore

Be it resolved that the establishment of easier access for member locals to information available on the Canadian University Press wire that pertains the Federation campaigns or issues of local interest be pursued; and

Be it further resolved that "current event style" news be disseminated to all member locals, where appropriate, within a reasonable and timely fashion for usage in Federation campaigns.

### **5. OTHER BUSINESS**

### **6. ADJOURNMENT**

# Fact Sheet 2001

February 2001  
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National Office  
170 Metcalfe St.,  
Suite 500  
Ottawa, ON K2P 1P3  
tel. (613) 232-7394  
fax (613) 232-0276  
[www.cfs-fcee.ca](http://www.cfs-fcee.ca)

MT-CUPE 1281

## How The FTAA Threatens Post-Secondary Education

### The New Regime

The *Free Trade Area of the Americas* (FTAA) is the name given to the process of expanding the *North American Free Trade Agreement* (NAFTA) to all other countries of the Western Hemisphere, except Cuba. The FTAA would be the most far-reaching trade agreement ever negotiated with a scope that will reach into every area of life. It will have the legislative and judicial authority to challenge any laws, practices and policies of individual countries and strike them down if they are deemed to be 'barriers' to trade. It will give private investors and transnational corporations unprecedented powers. They will have sweeping authority even in the supposedly protected areas of education (including post-secondary) healthcare, social security, the environment, water, culture and all government services whether First Nations, federal, provincial, regional or municipal.

### Background

The FTAA was launched by the leaders of 34 countries of North, Central and South America and the Caribbean (except Cuba) at the December 1994 Summit of the Americas in Miami, Florida. At that meeting, then United States President Bill Clinton pledged to fulfill former U.S. President George H.W. Bush's dream of a free trade agreement that linked the economies of the hemisphere and that expanded the social and political integration among the countries based on the same free market model as NAFTA. With 800 million people and a combined Gross Domestic Product of U.S.\$11 trillion the FTAA will be the largest free trade zone in the world.

It was at the subsequent Summit of the Americas, in Santiago, Chile in April 1998 that the FTAA was launched. A Trade Negotiations Committee was set up, consisting of the vice ministers from each country. Nine working groups were established to deal with the major areas of negotiations: services; investment; government procurement; market access (covering tariffs and non-tariff measures,

customs procedures, rules of origin, standards and technical barriers to trade); agriculture; intellectual property rights; subsidies, anti-dumping and countervailing duties; competition policy; and dispute settlement.

### The Rules of Global Trade

The FTAA must be understood as a trade and investment *regime* - a body of rules governing the hemisphere's economy, entrenched as international law and with enormous powers of enforcement. But the regime has political power as well. The rules, conventions and procedures that it constitutes will confer unprecedented rights to investors, will limit countries' sovereignty and will subvert local, democratic self-government. The rules are enforced through a set of legally-binding constraints, backed up by trade sanctions. Here is a sample of some of the rules of this new regime.

### Selling Rights as 'Services'

The first rule of the FTAA is to turn human rights and the public good, such as education and healthcare, into commodities or products that can be bought and sold for profit. The products in this case are called 'services' and they are labelled a 'sector' of the economy. Examples of such products include: courses, degrees, even colleges and institutes.

The attempt to turn fundamental human rights into for-profit services has been undertaken by the ongoing process known as the *General Agreement on Trade in Services* (GATS), which is now being negotiated in Geneva. The GATS is the services agreement of the World Trade Organisation (WTO) and is mandated to gradually phase out all 'barriers' to international competition in the services sector. A barrier is defined as a 'tariff' (border tax) or 'non-tariff' (any set of laws, practices or policies that are deemed to restrict trade).

The GATS framework is the basis for the FTAA services agreement. Canada led the way in developing this proposal through its participation in the Trade Negotiations Committee of the FTAA.

**"Since services do not face trade barriers in the form of border tariffs or taxes, market access is restricted through national regulations. Thus the liberalisation of trade in services implies modifications of national laws and regulations, which make these negotiations more difficult and more sensitive for governments."**

- Sherri M. Stephenson, Deputy Director for Trade, Organization of American States *The Globe and Mail*, March 25, 2000.

**"The combination of a whole new services agreement in the FTAA [and] the existing NAFTA investment provisions [...] will give transnational corporations important new rights, even in the supposedly protected areas of healthcare ...education, environmental protection... water delivery, culture, natural resources protection and all government services - federal, provincial and municipal."**

- Maude Barlow, Volunteer National Chairperson, Council of Canadians, "The Free Trade Area of the Americas and the Threat to Social Programs, Environmental Sustainability and Social Justice in Canada and the Americas," January 18, 2001.

## The Rules of 'National Treatment' & 'Most-Favoured-Nation' Treatment

The most dramatic rules being proposed for the FTAA are already found in NAFTA. Investors from the other NAFTA partners must be treated in the same way as domestic investors (the principle of 'National Treatment') and at least as well as investors from any another country (the principle of 'Most-Favoured-Nation' treatment). The goal of the FTAA is to include the rules of 'National Treatment' and 'Most-Favoured-Nation' to all services, even ones like education and health, that are still protected in some countries. These rules will prohibit citizens from designing economic policies in the public interest, such as:

- publicly funded and administered colleges
- academic and publicly accessible research
- the regulation or elimination of tuition fees.

## The 'Investor-State' Provisions

Perhaps the most remarkable feature of NAFTA which is being proposed for the FTAA is known as the 'investor-state' principle - the extraordinary and highly coercive enforcement mechanism. This is the right of private foreign investors to challenge a host government through a process of legally binding international arbitration. This feature overturns an enduring principle that *only states* are recognised as actors under international law.

## FTAA Will Undermine Democracy

What these rules mean is deeply disturbing to anyone concerned about democratic rights and social justice. The powerful combination of a new services agreement with the 'investor-state' rules means that the FTAA will give transnational corporations unprecedented new rights. By transferring power away from democratically elected governments, the FTAA will subvert any public control over the economy.

## FTAA Will Destroy Public Education

Currently, many Canadian provinces allow training companies to sell diplomas for profit.

However, they are not legally recognized as universities because under law the granting of university degrees is restricted to domestic, non-profit institutions. This will change. When for-profit universities are established in Canada degree-granting authority will have to be given to any foreign private for-profit education companies to ensure compliance with 'National Treatment' and 'Most-Favoured-Nation' rules.

By simply following the rules, these foreign-based corporations will have rights that limit government policy to a greater extent than with domestic investors under Canadian law. Foreign investors will have the right to establish themselves in any FTAA country, they will have the right to compete for public dollars with public institutions like colleges and universities. Even worse, from the moment a public service is privatised, the FTAA rules will make it impossible for citizens to reclaim public space and retreat from privatisation initiatives because foreign investors will have the right to sue Canadians for compensation for lost current and future profits.

## Public Funding is Not a Trade Barrier

The aim of the FTAA is to remove 'barriers' to trade and investment. In the world of international trade our public schools themselves are considered such barriers. Public funding is defined as an unfair subsidy. Public administration is called 'government monopoly'. The public regulation of tuition fees is seen as 'predatory pricing'. These forms of public financing and democratic control of post-secondary institutions will be challenged as non tariff barriers. Any policy that restricts investment by foreign-based, for-profit universities and colleges (like affirmative action hiring or residency requirements for governing boards) could be challenged as a trade barrier. Public subsidies will have to be made available to the private, for-profit institutions.

Under the FTAA, the public education system itself will become slowly dismantled as public funds are depleted.

<sup>1</sup> This fact sheet draws from two documents written by Maude Barlow, Volunteer National Chairperson, The Council of Canadians: "The Free Trade Area of the Americas and the Threat to Social Programs, Environmental Sustainability and Social Justice in Canada and the Americas," (January 18, 2001) and "A GATS Primer" (February 8, 2000). For copies, go to: <http://www.canadians.org/campaigns/campaigns-trade.html>. For information about alternatives to the FTAA see the publication: Alliance for Responsible Trade, et al *Alternatives for the Americas: Building a People's Hemispheric Agreement* (Canadian Centre for Policy Alternatives/Common Frontiers, 1999).

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National Office  
170 Metcalfe St.,  
Suite 500  
Ottawa, ON K2P 1P3  
tel. (613) 232-7394  
fax (613) 232-0276  
www.cfs-fcee.ca

MT-CUPE 1281

## How The GATS Threatens Post-Secondary Education

### Selling Rights as 'Services'

The *General Agreement on Trade in Services* (GATS) is one of more than twenty trade agreements administered and enforced by the World Trade Organisation (WTO). It is the services agreement of the WTO and was signed in 1994 at the conclusion of the 'Uruguay Round' of the General Agreement on Tariffs and Trade (GATT). It was one of the trade agreements adopted for inclusion when the WTO was formed in 1995.<sup>1</sup>

Like the North American Free Trade Agreement (NAFTA), the fundamental aim of GATS is to turn the public good and human rights into commodities or products that can be bought and sold for profit in the market. The difference is that with GATS the products are 'services' and no area of human life will be excluded: education, health care, social programs, water, and parks that play a vital role in maintaining our quality of life are all included in the definition of the 'services sector' that must be open to the market.

### The 'liberalisation' of Services

There are four important aspects to GATS:

1. The goal of GATS is to *liberalise* international trade in services, which means to gradually phase out all so-called barriers to international competition in the services sector. A barrier can be a 'tariff' (border tax) or 'non-tariff' (any law, practice or policy deemed to restrict competition and trade). So, under GATS no tariff or protection mechanism can be applied to 'services'.
2. Like NAFTA, GATS entrenches the principles of 'National Treatment' (which holds that investors from all WTO countries must be treated in the same way as domestic investors) and the 'Most-Favoured-Nation' treatment (which holds that investors from all member countries must be treated equally).
3. Unlike NAFTA, the GATS agreement specifically targets subsidies and taxation measures as trade barriers.
4. GATS is not final. Its goal is "a progressively higher level of liberalization"

through "successive rounds of negotiations."<sup>2</sup> The aim then, is to eliminate all exceptions.

### Education for Sale

Under GATS public funding and equal access to post-secondary education are in danger for two important reasons: because education is not excluded from GATS and because public funding falls under the definition of a barrier.

### Education is not excluded

Supporters of the GATS will argue that public education is protected because the agreement states that services "provided in the exercise of governmental authority" are excluded. However, these are defined as "any service which is supplied neither on a commercial basis nor in competition with one or more service suppliers."<sup>3</sup> In other words, in order to be excluded, a country's education system must be *completely* publicly financed and administered without *any* private financing or commercial purposes.

Canada's system of post-secondary education does not fulfil these conditions for exclusion. First, after two decades of federal and provincial cuts Canada's system of post-secondary education has seen a 'creeping privatisation' in which private funds and commercial interests already exert some influence and control. Today public funds cover only 55% of the cost of post-secondary education and tuition fees cover 32%.

Secondly, the payment of tuition fees for courses could fall within the category of services supplied "on a commercial basis".

Thirdly, there are already a myriad of private for-profit companies in Canada that sell diplomas for profit. So, the public education system is "in competition with one or more service suppliers."

For these reasons, Canada's system of public post-secondary education is not excluded from the GATS agreement.

### Attacking 'Government Monopoly'

There is more compelling evidence suggesting that public funding and equal public access to

**"Education is now an industry. Canada needs to approach the international marketplace for educational services with the same discipline and commitment that we bring to other sectors."**

- Sergio Marchi, former Canadian Trade Minister, current Canadian Ambassador to the WTO and Chair of the Council for Trade in Services. Cited in Maude Barlow "Trading It All Away: The WTO Services Negotiations and the Threat to Canada's Public Health and Education Systems" March, 2000.

**"There are a number of education services that are on a commercial basis and it is something that can certainly continue to be an object of discussion and eventually negotiation between countries who want to do that."**

- Pierre Pettigrew, Canadian Minister of International Trade, *Toronto Star*, November 16, 1999.

**"Essentially, the GATS is mandated to restrict government actions in regards to services through a set of legally binding constraints backed up by WTO-enforced trade sanctions. Its most fundamental purpose is to constrain all levels of government ... and to facilitate access to government contracts by transnational corporations in a multitude of areas, including public health and education."**

- Maude Barlow, Volunteer National Chairperson, The Council of Canadians, "A GATS Primer", February 8, 2001

post-secondary education are in danger under the GATS. This has to do with how the WTO defines a 'non-tariff' barrier.

In a 1998 document the WTO Secretariat defined potential barriers to treating education as a 'commercially' traded service. They identified: measures limiting foreign ownership of colleges and universities, nationality requirements, needs tests, restrictions on recruiting foreign teachers, the existence of "government monopolies" and "high subsidization of local institutions", not legally recognizing "foreign education providers" as universities, "restricting the granting of university degrees to domestic institutions" and not allowing students enrolled in these institutions to qualify for "financial assistance."<sup>4</sup>

## GATS Will Destroy Public Education

The message here is clear. Under GATS, Canada's public system of post-secondary education will be destroyed.<sup>5</sup>

1. The GATS will ensure that foreign-based colleges and universities, including private companies selling degrees and diplomas for profit, will be guaranteed access to the Canadian 'educational market'. Private for-profit training companies will have the rights to invest within Canada, to provide services to Canadians from abroad, to provide services to Canadians travelling abroad and to send their staff into Canada on a temporary basis.
2. Because GATS covers 'subsidies', it will force governments to provide foreign institutions and private for-profit training companies with the same grants, financial assistance and other subsidies that they provide to Canadian colleges and universities.
3. GATS will force governments to provide student loans, bursaries and other financial assistance to students attending foreign

educational institutions on the same basis as students attending Canadian institutions.

4. Under the rubric of unfair subsidies, GATS will strip governments of the power to offer grants or tax incentives for research and development at Canadian educational institutions as well as any requirement that citizens be given preferential access to the benefits of that publicly supported research and development.

5. GATS will force governments to give degree granting authority to private for-profit training companies. GATS will also ensure that non-governmental bodies exercising delegated governmental authority (such as teachers colleges or professional associations) recognise degrees and diplomas granted by foreign colleges and universities, including private for-profit training companies.

6. GATS will eliminate residency requirements; for example, that members of governing boards live in the community or that first preference for teaching positions be given to qualified residents of Canada.

7. Because GATS covers taxation measures, it will eliminate preferential tax treatment for Canadian universities and colleges and other educational institutions vis-à-vis foreign educational 'service providers'.

## Conclusion: A 'Corporate Charter of Rights'

Because it can challenge democratically agreed upon laws, policies and practices, the GATS by its very design is about more than just trade in services. It is a corporate charter of rights that transfers unprecedented new rights to investors and transnational corporations. With GATS citizens will lose democratic control over their economy and will be stripped of their power to use legislation to govern in the public interest.

<sup>1</sup> For an overview of the GATS and Canada's negotiating positions, see: Scott Sinclair, *Sequel to Seattle: GATS, How the WTO's New "Services" Negotiations Threaten Democracy* (CCPA, 2000); Steven Shrybman, *The World Trade Organization: A Citizen's Guide* (CCPA/Lorimer, 2000) and Maude Barlow, "A GATS Primer" (February 8, 2001, available at: <http://www.canadians.org/campaigns/campaigns-trade.html>).

<sup>2</sup> *General Agreement on Trade in Services*, "Progressive Liberalisation", Part IV, Article XIX.

<sup>3</sup> *General Agreement on Trade in Services*, "Scope and Definition", Part I, Article I, 3.(b)-(c); "Government Procurement", Article XIII.

<sup>4</sup> Council for Trade in Services, World Trade Organisation, "Education Services", document S/C/W/ 49 Subsection 3, (September 23, 1998).

<sup>5</sup> This section is drawn from the following excellent analysis: "General Agreement on Trade in Services (GATS): What's at Stake for Post-Secondary Education", The Canadian Association of University Teachers, September 17, 1999, pages 2-3.



**CANADIAN FEDERATION OF STUDENTS'  
SUBMISSION TO THE**

**HOUSE OF COMMONS  
STANDING COMMITTEE ON FINANCE**

**September, 2000  
Ottawa, Ontario**



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September, 2000  
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## **Preamble**

### **Education is a Right**

The Canadian Federation of Students thanks the Standing Committee on Finance for the invitation to present our recommendations for the 2001-2002 federal budget. As in previous years, the Canadian Federation of Students welcomes the opportunity to participate in the budget process.

Since 1981 the Canadian Federation of Students has been the progressive and democratic voice of Canada's college and university students. Today the Federation unites over 400,000 graduate, undergraduate and college students from over 60 students' unions from Newfoundland and Labrador to British Columbia.

The assumption on which our movement was founded is that education is a fundamental right, not a privilege limited to the wealthy. When we say 'education is a right' we do not make a distinction between primary, secondary and post-secondary educa-

tion. We mean that a free and democratic society, and a vibrant and socially just economy, depend upon universal access to post-secondary education.

The system of education we advocate for is one that is based on the five principles of the Canada Health Act: public administration, comprehensiveness, universality, portability and accessibility. Unfortunately, the past ten years have brought us farther rather than closer to those goals.

In this brief we will outline the crisis that exists in post-secondary education and offer tangible solutions the finance committee can recommend to solve the crisis.

As the federal government determines its spending priorities for the 2001-2002 budget, the Canadian Federation of Students hopes that the government will offer a comprehensive solution to the erosion of the quality and accessibility of our system of post-secondary education.

## **Introduction**

### **Is Economic Growth Helping Post-secondary Students in Canada?**

On June 1, 2000 the Canadian economy reached a milestone. For the first time in our history the economy, which is already one of the most powerful and stable in the world, pushed the gross domestic product past the

\$1-trillion mark. On average Canadians are wealthier and more prosperous today than at any other time in our history.

Yet there is growing anxiety among the youth and students of Canada. From the massive student demonstrations on January 25, 1995, against the cuts to social programs,

to the protests against the World Trade Organisation in Seattle in November 1999, students in Canada are challenging the claim that the economic growth of the 1990s has benefited everyone.

### **Growing Poverty and Debt among Youth and Students**

The aforementioned public demonstrations remind us that in spite of soaring corporate profits and growing GDP, the Canadian economy has marginalised an entire generation of students. According to the *Canadian Fact Book on Poverty*,<sup>1</sup> there are 1.3 million more poor households in Canada than there were 20 years ago. One of the most disturbing trends in family poverty, according to the study, is the rapid increase in the rates of poverty among Canada's young families over the past two decades. Between 1981 and 1997, the rate of poverty among young families (where both spouses were less than 25 years of age) more than doubled from 21.7 per cent to 46.1 per cent.<sup>2</sup>

In addition to the growth in poverty levels is the phenomenon of soaring student loan debt. Between 1990 and 2000 student debt has risen from an average, upon graduation, of \$8000 in 1990 to over \$25,000. It is not unusual for students to assume as much as \$70,000 in debt to help pay for user fees, books, supplies and basic living expenses.

All this suggests that, on average, students are much worse off today than they were ten years ago.

### **The 'Inaccessibility Gap'**

According to *Education Indicators* (published jointly by Statistics Canada and the Council of Ministers of Education, Canada), during the decade of the 1990s a gap emerged in the post-secondary education

participation rates between the poor and the wealthy.<sup>4</sup> The report concludes that the steady increase in debt among post-secondary graduates, together with this widening gap in participation between people from poor and wealthy backgrounds "raise concerns about access to post-secondary education."<sup>5</sup> In other words, this 'inaccessibility gap' reveals the inequity in Canada's system of post-secondary education. For many Canadians, access to education is now defined by the ability to pay rather than initiative and merit.

### **Why is this Gap Happening? Government Cuts, Soaring Tuition Fees, Student Loans**

The *Education Indicators* report offers some reasons why students are worse off today than they were ten years ago. It explains that the higher debt levels upon graduation "reflect increases in tuition and other costs, at a time when family income (in constant dollars) changed little." Furthermore the changes in student aid policy with respect to grants and loans have "had an impact as well."<sup>6</sup> The appearance of this inaccessibility gap coincided with a period in which real income for those between 18-24 actually dropped, income inequality increased, and "student assistance moved toward a more loan-based rather than a grant-based approach."<sup>7</sup>

Since the late 1980s, universities have been relying more on private funds from tuition fees and less on public funding from governments. And this shift toward more private and less public expenditure on post-secondary education actually accelerated with the election of the Liberal government in 1993. Between 1982-83 and 2000, government funding to universities has decreased as a percentage of operating revenue from 74% to 55%. A report produced by the

government of British Columbia outlined a decline in federal spending on post-secondary education of over 50%. In 1978, spending on post-secondary education was .54% of GDP. By 1998, spending on post-secondary education had declined to .20%. Over the same period tuition fees have roughly doubled, increasing as a percentage of operating revenue from 8% to 17%.<sup>8</sup>

Between 1990 and 2000, tuition fees have increased by 126%. Average tuition fees in undergraduate arts programs have more than doubled across Canada. They are now \$3,378, up from approximately \$1,500 in 1990. The costs of other programs have increased even more dramatically. In short, the decade of the 1990s was the worst period in Canadian history for tuition fee hikes.

### **The Federal Government's Solution**

The Federal government clearly shares the blame in the inaccessibility and debt crisis that now exists. Since 1993, the combined cuts to training and post-secondary educa-

tion have amounted to some \$7 billion dollars, creating pressure on the provinces to make up for lost revenues in the form of higher tuition fees.

To make matters worse, in the 2000 federal budget the government chose to allocate \$58 billion in tax expenditures over a four year period. Over that same period, the 2000 budget allocates only \$600 million more for post-secondary education.

As we begin this round of budget deliberations, the federal government has garnered a surplus of over \$8 billion in the first quarter alone. During the first quarter GDP also grew by 4.7%. In light of such growth, the deterioration of our system of post-secondary education system is simply unacceptable. Post-secondary students are looking to the federal government for solutions to problems it created. The following sections will offer several solutions to the crisis outlined above. In each case in which a monetary expenditure accompanies a recommendation, a detailed account of cost is provided.

## **Part I: Grants, Not Loans**

### **The Failure of the Loan-based Student Financial Aid Strategy**

The latest studies and statistics on the state of post-secondary education clearly demonstrate a glaring paradox. Canada now has a trillion-dollar economy that co-exists with record-levels of student debt and a system of post-secondary education that is quickly becoming out of reach for low and modest income families. As *Education Indicators* reveals, people from the middle and lower socio-economic status "must make a relatively greater financial sacrifice to attend

university" than individuals with higher incomes.

A recent study by the Canadian Association of University Teachers (CAUT) supports this analysis. CAUT concludes that the burden of increased fees has disproportionately fallen on modest income Canadians. When measured as a share of after-tax disposable income, households in the lowest income category spent 11% of their income on tuition fees in 1992. By 1998 that had increased to more than 19%. This is six times more

than households in the highest income bracket.<sup>9</sup>

The consequence of soaring tuition fees and stagnating salaries combined with the existing student financing arrangements is stark: the poorest members of our society are registering "the smallest increase in participation."<sup>10</sup> In other words, these statistics demonstrate the complete failure of the loan-based student financial assistance strategy.

If the federal government is serious about ensuring an accessible system of education, it cannot ignore soaring student debt levels and tuition fees. The federal government must develop relevant and appropriate policy instruments to eliminate these barriers to an accessible system of education.

One way to ensure access is to abandon the loan-based system of student financial assistance. Instead, Canada must join the rest of the industrialised world and make funding available in the form of grants for individuals in need. Without such funding, even greater inequities will result from financial circumstances, regardless of the ability of the student.<sup>11</sup>

### **The Federal Government's Existing System of National Grants**

To address this problem of the soaring cost of education, the federal government has recently introduced two national grant programs: one is in the form of indirect grants — the Registered Education Saving Plan (RESP); the other is in the form of direct grants — the Canada Education Savings Grant (CESG).

#### **1. The Registered Education Savings (RESP)**

The RESP is an investment vehicle that allows a contributor to save for a child's

post-secondary education. While there is no tax deduction for RESP contributions, savings grow tax-free until the beneficiary is ready to go full-time to college, university, or any other eligible post-secondary educational institution. Under the current rules one can contribute a maximum of \$4,000 per year for a lifetime limit of \$42,000. Contributions can be made for 21 years and the plan must be collapsed after 25 years.

The RESP is in fact a national system of indirect grants: the income generated by the RESP has accumulated tax-free. The foregone tax revenue is tantamount to a grant payable only to RESP investors.

#### **2. The Canada Education Savings Grant (CESG)**

With the 1998 federal budget, RESPs became more attractive because, in addition to an indirect grant in the form of foregone tax revenue, the federal government said it would offer a direct grant — the Canada Education Savings Grant (CESG) — to any parent who had sufficient income to purchase an RESP. The Government of Canada pays directly into a beneficiary's RESP 20% of the first \$2,000 in contributions made into an RESP on behalf of an eligible beneficiary each year. This means the Grant can be as much as \$400 each year per beneficiary until the beneficiary turns 18, which means a total lifetime maximum grant of \$7,200 per child.

In other words, if you are wealthy enough to put aside \$2000 per year, from the time your child is born until the end of the year in which your child turns 17, the Government of Canada will give you a tax-free grant of \$7,200

toward your child's education. That is a tax-free gift of \$400 every year for 18 years.

With the 1998 federal budget legislation, if none of the parent's children take advantage of the RESP, the grants must be repaid - but not the income generated by the grant money, which has accumulated tax-free. Under certain circumstances, where no child pursues post-secondary education, the money can be rolled into the parent's RRSP.

Before the 1998 budget changes, one risked losing all investment income in the plan if one's child did not pursue post-secondary education. Depending on the plan, the investment growth would be pooled to finance the education of other children or be donated to an educational institution.

### **How Much Money Has the Federal Government Disbursed So Far?**

Because the CESG is a statutory expenditure, there is no pre-determined budget for the program: if every single eligible Canadian invested in an RESP, the federal government would have to pay as demanded.

Between 1998 and May 2000 the government of Canada spent over \$454,069,661 on grants. It expects to spend another \$70,418,244 by the end of this year and the forecast for 2000-2001 is \$435,000,000.<sup>12</sup> In other words the federal government's projected accumulated expenditure for the Canada Education Savings Grant Program is expected to be some \$959,487,905 by the end of 2001 — almost \$1-billion.

If every eligible parent participated in the CESG, and invested the maximum \$2,000 per year the federal government would spend every year \$2,885,617,200.<sup>13</sup>

### **The inequity of the CESG: A National System of Grants for the Wealthy**

The systems of indirect and direct national grants that are currently in place are unfair and should be terminated. Both the Registered Education Savings Plan and the Canada Education Savings Grant reward those who need the least help: the children or grandchildren of those who are wealthy enough to save. There are four 'wealth-care' rewards to the RESP/CESG:

First, the RESP savings generate income that is tax-free: earnings grow tax-sheltered until taken out by the student for educational purposes.

Second, the federal government guarantees an annual 20% return on investment for those who have enough disposable income to invest in an RESP.

Third, public funds could subsidise private universities outside Canada. The beneficiary may be eligible even if she attends an educational institution outside Canada that offers post-secondary schooling and at which the beneficiary is enrolled on a full-time basis.

Fourth, both the RESP income and the grant income are effectively tax-free. When the student begins to use the RESP for education, the income accumulated on the subscriber contributions and the grant - as well as the grant itself - becomes taxable. However, because the student typically has little other income, she effectively pays little or no tax on RESP income.<sup>14</sup>

Where does the Canada Education Savings Grant leave low-income parents and their children? Absolutely nowhere, and the inequity here is clear: tax dollars and tax breaks are subsidising those who are already

in a position to save instead of ensuring access for those most likely to be denied entry to post-secondary education for economic reasons.

## **RECOMMENDATION 1:**

### **Terminate the RESP/CESG and establish The Canada Student Grants Program**

The Canadian Federation of Students proposes that the existing national system of indirect grants, the RESP program, be terminated. Furthermore, we recommend that the existing national system of direct grants, the CESG program, be cancelled.

In place of the elitist RESP/ CESG we propose the establishment of an equitable needs-based system of national direct grants – the Canada Student Grants Program. The national grants program proposed by the Canadian Federation of Students will be equitable, will cost no more than the current elitist system, and will provide greater access to post-secondary education.

### **Mechanics of the program<sup>15</sup>**

#### **1. Grant limits**

Students in need would be eligible to receive the full federal portion of their Canada Student Loan as a Canada Student Grant - up to \$3000. The actual amount of the grant would depend on the details of the individual student's application.

#### **2. Eligibility**

A needs-test would ensure that those students who are legitimately in need would receive the grant.

#### **3. Financing**

The program would be financed entirely from redirected resources. Therefore it

would cost no more than the statutory budget of the Canada Education Savings Grant of \$2,885,617,200, as well as the foregone federal tax revenues on the Registered Education Savings Program and the Canada Education Savings Grant. There would also be some administrative savings realised by restructuring the Canada Student Loans Program into a grants program.

#### **4. Total Cost of the Program**

The projected federal expenditure for a Canada Student Grants Program is between \$1.8 and \$3 billion. These figures represent maximum annual expenditures based on the assumptions outlined in Chart 1. Since this is envisaged to be a change to an already existing program, no new administrative costs are expected.

#### **5. Administration of the Program**

The Canada Student Grants Program would be administered by a federal department in conjunction with the existing Canada Student Loans program. The difference is that the federal portion of CSLP would be a grant for those in need. Adopting this system of administration avoids three pitfalls:

- **Public Recognition of the Federal Program:** The federal government would take credit for the program and it would be easily recognised as a federal program, since the federal and provincial portions of the Canada Student Loans are already separately identified in documents and materials.

- **The Politics of Federal-Provincial fiscal Arrangements:** There is no need to renegotiate the Canada Student Loans Program since the Federal government could simply give notice that students in need would



receive their federal loan portion as a grant instead. This method avoids the problem of provinces wishing to opt-out - or redirecting the funds - since it is the federal government's portion of the CSLP that is being amended.

- **Accountability:** The Canada Student Grants Program would be shielded from abuse because it will function within the administrative expertise of the already existing system.

## Part II: Reforming the Canada Student Loans Program

Until the federal government moves to convert all or part of the Canada Student Loan Program into a system of grants, the program is in need of immediate policy reform

In August of 1995, the federal government entered into risk sharing agreements with two of Canada's chartered banks (Royal Bank and Canadian Imperial Bank of Commerce). Under the agreement, the banks financed the Canada Student Loan Program (CSLP) in exchange for a 5% risk-sharing premium. In essence, the premium acted as insurance against those loans the bank was unable to collect over the life of the agreement. Over the five years of the agreement, over \$300 million was transferred to the banks to insulate them from fiscal risk on the delivery of the CSLP.

As that agreement neared expiration, the federal government entered into negotiations with the banks to strike a new 5-year deal. In January 2000, details of the negotiations were leaked to the media and it was reported that the federal government had offered to increase the premium to 7% for public institutions and 23% for private institutions. The most controversial aspect of the federal government's offer was the provision that these premiums would be retroactive to existing loans disbursed under the agreement signed in 1995. The agreement signed in 1995 was supposed to cover all loans negotiated between August 1, 1995, and August

1, 2000.

However, the January 2000 proposal suggested a risk premium increase to 7% for loans at public institutions and 23% for private for-profit institutions respectively for loans negotiated after August 1, 1995, but not yet in repayment. This proposal would have amounted to a further payment of \$100 million to the banks for the 1995-2000 period in addition to an offer that would, in some cases, increase the risk-sharing premium under a new contract by nearly 500%.

In the wake of this publicity, the banks became more strident about their continued involvement in the CSLP. It now appears that at least one bank rejected the aforementioned offer to extend the contract and proposed a counter offer that was even more lucrative. In late February this year negotiations broke off and, on March 9, the banks announced that they were withdrawing from the CSLP as of the expiration of the current contract on July 31. The federal government moved quickly to announce that the program would continue under a new model of direct financing. Under this new arrangement, we hope to work with the federal government to make the program better for all students. However, before that can happen, the damage done to the program under the risk sharing agreements must be repaired.

In our view, the experiment of risk sharing

agreements with Canada's chartered banks was an abject economic and social policy failure, for two reasons:

First, under the agreement with the banks the program was shrouded in secrecy because the banks refused to make public data on the program for what they cited as 'proprietary' reasons.

Second, the intrusion of the banks into the realm of public policy undermined the social mandate of the program. According to the preamble of the Canada Student Loan Act (1964), the social mandate of the program is to offer assistance to those Canadians who cannot afford the up front costs of post-secondary education. Under the risk sharing agreements, this mandate became secondary to the banks' mandate of generating profit for their shareholders.

### **Credit Checks**

During their tenure with the program, the banks were able to convince the federal government to implement several regressive changes. In particular, credit checks are now run on all CSLP applicants and a 10-year prohibition is in place on the discharge of student loans under the *Bankruptcy and Insolvency Act*. The credit screening process is, in theory, designed to protect the program from fraud. However, no data has been produced to suggest that the screening process is denying loans to anyone other than those who need post-secondary education the most: those at the bottom of the economic scale who are being squeezed out of traditional jobs in the knowledge economy. Though we share the federal governments concern that the program be protected from criminal enterprise, the present credit screening policy is only serving to increase the odds against low income Canadians at-

tending a post-secondary education institution.

## **RECOMMENDATION 2:**

**That the Federal government abandon credit checks on student loans.**

### **Bankruptcy**

On the issue of the ten-year prohibition, the Canadian Federation of Students is ashamed of this government's attempt to address the crisis of student debt by criminalising students. In 1997, the federal government undertook a review of the Act with the aim of enacting a two-year prohibition. During the consultation period, the Canadian Federation of Students and other groups made a compelling case against such a prejudicial change. Despite the consensus view that such changes would only lead to misery for those most desperate, the federal government enacted legislation setting out a two-year prohibition. Less than 10 months later, without consultation or supporting reasons, the 1998 'education' budget legislation extended the ban to ten years.

This unconscionable legislation strips students of the very last financial protection offered under the law. It introduces a fundamental inequity in the way Canadians are treated under the law. It is this provision that has compelled the Canadian Federation of Students to launch a Charter challenge before the Supreme Court of Canada to repeal this unjust and unconstitutional law. The provisions of the *Bankruptcy and Insolvency Act* are designed to offer a last hope to those unable to cope with debt. Under the Act, an individual must appear before a judge and present evidence under oath that their financial disposition makes it impossible for them to meet their obligations.

The withdrawal of the banks from the CSLP

presented the opportunity to renew the CSLP and restore its reputation as a program that offers hope and opportunity to all Canadians. We call on the Standing Committee on Finance to endorse the following recommendations.

### **RECOMMENDATION 3:**

**That the Federal government repeal the discriminatory 10-year prohibition on the discharge of student loans.**

## **Part III: Federal Funding of Post-Secondary Education and Research**

Thus far we have outlined the crisis of student debt and several pragmatic solutions. At this point, we would like to turn to the root cause of the crisis and to challenge the Finance Committee to adopt the long term solutions needed to address the crisis in higher education.

### **Federal Funding Cuts**

In 1995, the federal government chose to attack the federal deficit by cutting federal transfer payments for health care, post-secondary education, and social services contained in the Canada Health and Social Transfer (CHST). These cuts have been devastating for Canada's system of post-secondary education. When combined with earlier cuts, post-secondary education and training spending has been reduced by \$7 billion since 1993. The cost of the withdrawal of federal investment and leadership in post-secondary education was passed on directly to students. As indicated earlier in this brief, the increased cost of post-secondary education is the sole cause of a decrease in participation rates among those from homes with family incomes of \$50,000 or less.

In addition to the most immediate threats to an accessible, quality system of post-secondary education outlined above, the withdrawal of federal funding for post-secondary education has endangered the future vi-

ability of the system. The two looming dangers we would like to highlight are university faculty renewal and the deterioration of physical plant infrastructure in our colleges and universities.

The Canadian Association of University Teachers (CAUT) reports that student-teacher ratios have increased by over 15% since 1990. In addition, CAUT points out that this figure will skyrocket without adequate funding to replace retiring professors. Presently, over 50% of faculty members are 50 or older, and close to one third are over the age of 55.

In the area of infrastructure, the Canadian Association of University Business Officers (CAUBO) released a report in 1999 that estimated that Canadian universities need an infusion of \$3.6 billion to undertake the most basic repairs needed to insure the health, safety, and productivity of staff, students and faculty. Of that \$3.6 billion, CAUBO estimates that \$1 billion is needed immediately to halt further deterioration and the increasing cost of repairs. In our view, only a renewed model of federal funding can adequately address these problems. Short term solutions such as a one time infusion for the 'indirect' costs of research will not alleviate the strain bearing down on the quality and accessibility of our post-secondary institutions.

In order to reverse these trends and address impending threats, we are calling upon the federal government to re-establish its role in post-secondary education funding in two tangible ways.

The first step the federal government must take is to establish a dedicated fund for post-secondary education that obliges the provinces to meet certain standards of accessibility and universality. Such a funding envelope should set funding for post-secondary education at 0.5% of GDP. Funding post-secondary education in this manner would not only result in a substantial increase in federal funding, but it would also stabilise operating funds for universities and colleges. Such stability would allow the stakeholders in post-secondary education to develop a strategic plan to deal with the immanent crises outlined above. The introduction of a dedicated fund would also address the federal government's very real concern about how the provinces allocate CHST funding. In short, such a fund would provide a degree of fiscal and social accountability that is currently lacking in the CHST.

The second tangible step the federal government must take is to introduce a post-secondary education act modeled on the principles of the Canada Health Act. Such an act would enshrine the principles of quality, mobility, and access as rights for all Canadians in the delivery of post-secondary education. In addition, such an act would give the federal government the moral, legal, and political clout to negotiate measurable performance standards in each province.

We are mindful of the difficulties such a proposal portends under the current framework of provincial-federal relations. Therefore, the proposed act would have to recognise unique arrangements with Quebec as well

as Canada's first nations peoples. Nevertheless, important strides have been made in reaching a national consensus on health care funding and policy. The time has come for such negotiations to begin in order to address the burgeoning crisis in post-secondary education.

#### **RECOMMENDATION 4:**

**That the federal government establish a dedicated fund for post-secondary education that obliges the provinces to meet certain standards of accessibility and universality.**

#### **RECOMMENDATION 5:**

**That the federal government introduce a post-secondary education act modeled on the principles of the Canada Health Act.**

#### **Research**

"At a certain point...we don't have universities anymore, but outlying branches of industry. Then all the things that society turns to the university for - breadth of knowledge, far time horizons, and independent voice - are lost."

*- John Polanyi, Nobel Prize winning chemist at the University of Toronto*

In the past several budgets the federal government has re-invested in Canadian research. Despite this re-investment, however, public research in Canada has been weakened by a national research policy that favours private for-profit research over research done in the public interest. In what follows, we will outline our concerns with recent developments in Canadian research policy and suggest remedies for federal funding initiatives that strengthen research undertaken in the interest of all Canadians.

The two largest federal investments in research in the last two budgets were the

Canada Foundation for Innovation and the Canada Research Chairs Program. In the case of the Canada Foundation for Innovation, the federal government has intentionally increased private for-profit participation in Canadian research. In order to leverage funds under the CFI, universities must secure 60% matching funds from the private sector. This provision institutionalizes public/private partnerships to the detriment of research in the public interest.

The espoused goal of the CFI is to provide infrastructure funding for leading edge research. However, the creation of the CFI exacerbates an already existing trend that compels many of Canada's top researchers to commercialise their most innovative ideas. Under the CFI the imperative to commercialise is built right into the funding formula. Private enterprise typically only invests in research likely to yield a profit and their investment in any project is dependent on securing the intellectual property and patent rights to research. Without sufficient public funding, researchers often have little choice but to enter into dubious public/private partnerships.

For the Canadian Federation of Students, and our 50,000 graduate student members represented by the National Graduate Council, the problem with such a policy is clear. The Canadian government is deploying taxpayer funds in the service of private, for-profit research. In addition to the already generous research tax subsidies, the CFI further subsidises private research. The negative impact of the CFI model is both economic and social.

Economically, the CFI has, thus far, received \$1.9 billion in funding. During that same period Canada's granting councils saw their funding increase by \$200 million. Funds that could and, to our mind, should go to

public research through the granting councils is being siphoned off by private interests.

In addition, the CFI will extend the growing gap between research that is easily commercialised and research that is of great public benefit but requires a longer period of development and a more patient approach than that dictated by market discipline. The social cost of public/private partnerships is that new technological discoveries, prescription drugs, vaccines, and innovative solutions to social problems are quickly becoming private property protected by exclusivity agreements that characterise public/private partnerships in research. Canadian universities are the incubators for such developments. However, under the research policy that drives the CFI, taxpayers end up funding the costly preliminary stages of enquiry only to see that innovation become private property when the research is complete.

In addition, public/private partnerships prevent publicly funded researchers from adjudicating disputes that arise when the public interest conflicts with the interest of the private partner. The agreements that bind researchers in public/private partnerships invariably favour the private partners' right to secrecy and the protection of proprietary interests.

In the case of the Canada Research Chairs Program, there are several compelling reasons why this initiative will not provide a good return on the investment of public research dollars.

First, as research by the CAUT demonstrates, the benefits of this program are generally confined to larger universities in Canada. Close to two-thirds of the chairs will go to just ten universities. In addition, the Canada Research Chairs Program will

widen the already large gap between research funding for the humanities versus funding for the sciences. Consider that while 20% of the chairs will be devoted to the humanities, over 53% of faculty at Canadian universities engage in humanities research.

The disparity in federal support for the humanities runs counter to research that suggests that the skills and research produced by humanities scholars are in high demand in the new economy. In a report, entitled *The Employability of University Graduates in Humanities, Social Sciences, and Education: Recent Statistical Evidence*, University of British Columbia economist Robert Allen suggests that "labour market demand for graduates from the social sciences is not only high but increasing rapidly." Allen's work confirms the need for a diverse system of post-secondary education rather than the current approach of weighing research funding heavily in favour of science and high tech.

Finally, the initial allocation of funding for the chairs did not include funding to build the infrastructure required to support the research expected of the positions. In response to this shortfall the federal government has set aside \$125,000 to be made available through the Canada Foundation for Innovation. This response raises the same concerns as those already articulated above.

## Conclusion

Post-secondary education has long been a symbol of hope and opportunity for Canadians but that symbol has been tarnished by a withdrawal of federal funding and vision for post-secondary education. The economic imperative of an accessible and qual-

ity system of post secondary also carries a social message: Canadians look to the federal government to play a leading role in insuring equality of opportunity for all. In a recent EKOS poll, 55% of Canadians ranked social reinvestment as their number

By forcing universities to turn to the private sector to fund 60% of the infrastructure required for this new investment, the federal government is again making publicly funded research beholden to private for-profit enterprises. In our view, such policy offers a poor social and economic return on Canada's most recent and sizable spending initiatives in research.

## RECOMMENDATION 6:

**That the federal government should eliminate the stipulation that 60% of the funds disbursed for projects under the Canada Foundation for Innovation must come from the private sector. Further, the Canada Research Chairs Program should be re-vamped to equalise research support for humanities. Finally, the federal government should ensure that the distribution of the chairs augments research at smaller universities.**

## RECOMMENDATION 7:

**In the 2001/2002 budget the federal government should increase the base operating budget of the Social Science and Humanities Research Council by 20% and increase the base operating budget of the Natural Science and Engineering Research Council by 5%.**

one priority for the federal. Only 19% listed tax cuts as a first preference:

We began this brief by pointing to the stark disparity between a growing economy and growing gap between the rich and poor. To conclude, we would like to remind members of the Standing Committee on Finance that economists of all stripes agree that access to post-secondary education will form the dividing line between those who flourish in the new economy and those who languish in poverty, unemployment, and unfulfilling work. To cite but one study, the Labour Department of Canada estimates that 72% of the new jobs created by 2004 will require post-secondary education.

The numbers make the case very clearly that without a substantial re-investment in post-

secondary education access to higher education will exacerbate rather than mitigate social division and poverty. Regrettably, the government chose not to address that challenge in last year's budget. Though difficult choices and competing priorities are endemic to any budget process, re-investment in post-secondary education offers an unparalleled social and economic return for Canadian society. In the current economic climate, the federal government could implement the measures suggested in this brief without compromising any of its other social or economic priorities. When compared with possible tax expenditures, the strategy we have laid out in this brief is both modest and realistic.

## Notes

<sup>1</sup> David P. Ross, Katherine J. Scott, Peter J. Smith, *The Canadian Fact Book on Poverty*, published by the Canadian Council on Social Development (CCSD), (Ottawa: July 19, 2000).

<sup>2</sup> *The Canadian Fact Book on Poverty*, page 68.

<sup>3</sup> "The likelihood of poverty among those with low levels of education increased as well, but by a smaller amount." *The Canadian Fact Book on Poverty*, page 68.

<sup>4</sup> The Report reveals that in 1986 there were no significant differences in participation rates amongst those from the lowest socio-economic backgrounds and those from the middle-class and wealthy backgrounds. The participation rates were comparable. However, by 1994 a gap had opened up. A disparity emerged between the participation of the poorest members of our society and those who are better off. Those who are very well-off continued to show "by far the highest university participation rates." *Education Indicators in Canada: Report of the Pan-Canadian Education Indicators Program 1999*, published by Statistics Canada and the Council of Ministers of Education-Canada, (Ottawa: February 2000), page 105-106.

<sup>5</sup> *Education Indicators*, page 54.

<sup>6</sup> *Education Indicators*, page 68.

<sup>7</sup> *Education Indicators*, page 105.

<sup>8</sup> *Education Indicators*, page 62.

<sup>9</sup> "Out of Reach - Trends in Household Spending in Canada", *CAUT Education Review*, Vol. 2 No. 1, pages 5-7.

<sup>10</sup> *Education Indicators*, page 105.

<sup>11</sup> *Education Indicators*, pages 105-106.

<sup>12</sup> Canada Education Savings Grant, *Quarterly Statistical Review*, May 2000

<sup>13</sup> The sum cited is derived as follows: in 1998 the number of children aged 0-17 was 7,214,043. This number is multiplied by the maximum grant of \$400. Canada Education Savings Grant, *Quarterly Statistical Review*, May 2000. Based on Statistics Canada, *Annual Demographic Statistics 1998*, Catalogue #91-213-XPB.

<sup>14</sup> A fact actually cited in the web site of the Canada Education Savings Grant program.

<sup>15</sup> See Chart 1.

<sup>16</sup> "Out of Reach - Trends in Household Spending in Canada", *CAUT Education Review*, Vol. 2 No. 1.



### Chart 1: Options for a National System of Grants

Assumed Number of Students Enrolled in Public Colleges and Universities in Canada in 2001-2002: 1.5 Million

% of Total Students Population	Number of Grant Recipients	Option 1 \$500	Option 2 \$1,000	Option 3 \$2,000	Option 4 \$3,000	Option 5 \$4,000
10%	150,000	\$75,000,000.00	\$150,000,000.00	\$300,000,000.00	\$450,000,000.00	\$600,000,000.00
20%	300,000	\$150,000,000.00	\$300,000,000.00	\$600,000,000.00	\$900,000,000.00	\$1,200,000,000.00
30%	450,000	\$225,000,000.00	\$450,000,000.00	\$900,000,000.00	\$1,350,000,000.00	\$1,800,000,000.00
40%	600,000	\$300,000,000.00	\$600,000,000.00	\$1,200,000,000.00	\$1,800,000,000.00	\$2,400,000,000.00
50%	750,000	\$375,000,000.00	\$750,000,000.00	\$1,500,000,000.00	\$2,250,000,000.00	\$3,000,000,000.00

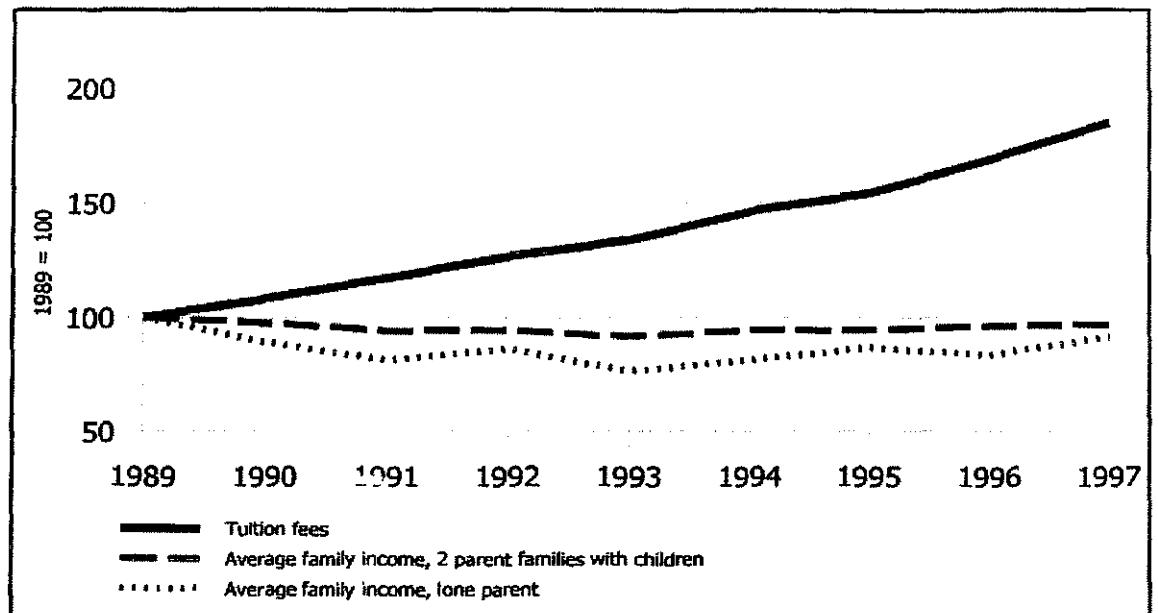
This chart works on the assumption that by the fall of 2001, the total enrolment in post-secondary education is 1.5 million. This is based on the very optimistic assumption that enrolment will increase by 15% over the 1998 figure of 1,312,992.

The following is the data upon which the costing of the program of grants is based:

Total number of beneficiaries to whom the grant has been paid 994,763  
 Value of grant payments to promoters for 1998-1999 \$195,487,905  
 Value of grant payment to promoters for 1999-2000 \$258,581,756  
 Forecast of statutory expenditure for 2000-2001 \$435,000,000

Source: Canada Education Savings Grant Program, Quarterly Statistical Review, May 200

Chart 2: Family Income and Tuition Fees



Source: Statistics Canada, *Income after tax, distributions by size in Canada, 1997*, cat. no. 13-210-XPB; Centre for Education Statistics, unpublished data.

Source: Canadian Association of University Teachers, January/February 2000



