

At Issue: Education...

# The P. C. record and election platform on education

This Autumn's Federal Election comes at a time of great uncertainty and change in education. This uncertainty can be felt on campuses from St. John's to Victoria. Students at universities, colleges, and institutes are attempting to cope with tuition fees that routinely increase annually at two to three times the rate of inflation or more and student aid that falls far short of an education's actual cost. Meanwhile, Faculty and staff are attempting to provide quality education with shrinking budgets. A wide variety of possible solutions have been proposed to deal with these crises. These "solutions" range from granting overdue increases to educational funding and student aid to doubling tuition fees and tying greatly increased student loans to new repayment schemes; however, perhaps the most important question to be asking this Fall is this - what are the political parties issuing as their education policy and if elected, what will they do to address the crises in education?

Any serious look at educational issues in this election must begin with the Conservatives. After nine years in power, their record concerning education is despised by many students and administrators. During their time in office there has been no increase in the maximum amount available to students through the Canada Student Loans Program (CSLP). The funding of education by the Federal Government through transfer payments has been frozen at the 1989 level (allowing only for very small increases based on population growth). This limiting of transfer funds for education has resulted in an estimated loss of revenue to educational institutions of \$6.8 billion (Canadian Federation of Students figures). This is money that would have been granted to provinces for education (and health care) if normally expected inflationary growth had been allowed. In other words, the actual value of universities' and colleges' budgets has decreased by that amount and this

shortfall is the excuse cited most frequently by the Provincial Government when trying to explain heavy tuition increases.

Two other Federal Government measures have proven even less popular. The first was the imposition of a universally criticized three percent "guarantee fee" (the widely hated "3% Tax") on Canada Student Loans (eliminated this past Summer). The second measure was the elimination of the six month interest-free period that was formerly granted to students after

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graduation. The six month grace period was eliminated in legislation that was passed this Spring after a near-revolt in the Tory Caucus in the Senate threatened to derail the legislation. This near-revolt came after almost unprecedented noise made by student groups. Consequently, reforms to Student Loans are at the heart of the Conservative election platform concerning education. A wide range of further reforms are proposed for the program (that over 40% of U.P.E.I. students depend on to some degree). The major points of the reforms package are:

\* Eligibility criteria for Student Loans would be tightened. With some "flexibility" minimum course loads would increase from 60% to 80% (three to four courses in U.P.E.I.'s case); students would have to be enrolled in a specific program of study leading to a degree, diploma, or certificate; and 60% of a full course load would have to be "successfully completed."

\* Student Loans would be available for the length of time indicated by the institution to

complete a program, plus one year.

\* Various measures would be attempted to work with the Provinces to harmonize and standardize student assistance.

\* An increase in the maximum weekly amount available from \$105 to \$150 (again, this would be the first increase in nine years - a time during which Canadian tuition fees rose by 93-360%).

\* A program offering grants to women pursuing doctoral studies would be established. Physical and applied sciences, engineering, and mathematics would be specifically targeted and in 1994-95 up to 300 women would each be granted up to \$3000 (projected to increase to 1250 women by 1997-98).

\* "Risk sharing with lenders" would be introduced. Basically, this means that the Federal Government would stop fully guaranteeing Canada Student Loans to issuing banks. Banks would assume some of the risk and presumably more say in the program. This process has also been referred to as the privatization of the program. Many people are alarmed by this and see it as the first step in government desertion of Student Loans, while others see it as a necessary step to increase the efficiency or availability of the program.

\* Finally, the Federal Government would change the way interest is calculated for loan repayment. Currently, the interest charged on a student loan is calculated using 5-10 year bond yields which are consolidated for the period of repayment. The Tories propose to base it instead on a "Floating rate, based on lender prime, with a ceiling or fixed rate with base and ceiling to be negotiated." This statement is fairly confusing (maybe only to me, though) but it is clear that the interest on Student Loans would be more subject to actual bank rates.

These items of the Conservative platform were released over the summer and response, at least from students and student groups, has not been overwhelming. To the best of my knowledge, the Conservatives have not really addressed education funding, except to say the following (in an election policy handbook that someone at Tom MacMillan's campaign office looked up education in)

"We remain committed to post-secondary education. We have upheld our commitment despite the pressing need to control spending and get the deficit down." (I think I better keep my own opinions on that statement out of this article.)

While these reforms are substantial changes to the CSLP, the Conservatives may find they have a difficult time convincing many people that oppose their record on education that these are changes in the right directions. On the other side, there are people who believe that maintaining the Conservative course on education is simply responsible deficit control.

**Coming next issue (due out in two weeks):** The education policies presented by the other parties.

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