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by students, for
students

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"Changing our appearance with chameleon-like frequency since 1969"

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Of Budgets and Cuts



Photo by Lorne Caborn

by Amy Gallan

The budget, one of the most important government acts of the year, was released on March 6. Although no terrible taxes were issued, this budget still has many people upset with the government and with the cuts that are being made to Canada's social programs. One such group, the Canadian Alliance of Student Association (CASA), is very upset with the new budget. They claim that "While the budget... outlined some modest tax relief for students and their parents and spouses, as well as some small jobs programs, these amounted to pittance next to the massive amounts of money which will have to be sliced from higher education budgets."

In his budget speech, Finance Minister Paul Martin said that he wanted to provide hope to youth. CASA accuses him of having only two concrete things planned. The first is an increase in the number of federally-funded summer jobs, and the second is a \$20/month increase in the monthly "educational amount"

non-refundable tax credit.

The largest tax breaks in the budget go to students' parents through increases in the allowable claim on tuition fees and better breaks on RESPs. On this subject, Alex Usher, CASA's National Director noted "These are by and large tax breaks for the upper-middle class, whose children are in no danger of being forced out of school by rising tuition fees. On the other hand, there is nothing in this budget for lower-income students who are already being forced to indebt themselves to the tune of \$30,000 just to get an undergraduate degree."

Mr. Martin told the country that "Post secondary education... speaks to the heart of our country" and spoke of the need to "ensure that there is hope for our youth." But CASA accuses that "Even when this country starts posting surpluses, it won't invest in education and youth."

Although the government claims that the budget is likely to be balanced in the fiscal year 2000-2001, CASA still points out the cost

it will be to the education system. Over the next two years there will be seven billion dollars taken out of health, welfare and post-secondary education transfers. The level of the Canada Health and Social Transfer (CHST), the money given to these social programs, will be frozen at \$25.1 billion in 1998-99 and 1999-2000. It won't be increased to 27.1 billion until the fiscal year 2002, 2003.

Although there is little information, the budget says that the government will make repayment of loans under the CSLP "more flexible." On the jobs front, there are two separate initiatives; the first is an extra \$60 million for student summer employment. The second is the "Partnership With Industry" program, whereby various private sector players are willing to offer one-year internships to high-school, college and university graduates for a sum of \$12,000 a year.

The Department of Higher Education claims that they do not know what the impact will be, that it depends on how large the cuts are.

A question on many people's minds seems to be "How many cuts can the education system take before it collapses?" So far, the government has offered no real answer to that question.

As you may have already noticed, I have updated the look of the paper yet again. Comments would be appreciated. I hope you all enjoy the change
-- Mike F. Beagan