Federal funding support must be continued to maintain Canada's existing national network of universities, UBC President Douglas T. Kenny told a parliamentary committee hearing briefs on federal-provincial fiscal arrangements in Victoria June 3. Dr. Kenny told the seven-member task force that federal participation in higher education funding brings long-term benefits to the nation and is crucial to Canada's continued economic and cultural growth. He said the federal government has the responsibility of ensuring a nationwide balance of higher educational opportunities and scholarly capability; the inter-provincial mobility of university students; support and fostering of excellence in scholarship, research and the advancement of knowledge; the maintenance of a highly qualified labor force and the international exchange of Canadian scholars with those of other countries.

Under a 1977 agreement that is due to expire next April, federal support now comes in the form of tax credits and direct cash payments to the provinces—with no stipulation that the money actually be used for universities. In 1980-81, for example, British Columbia received $190 million in cash and $145 million in tax transfers. Ottawa has suggested that it would like to drop the cash transfer part of the arrangement. The parliamentary task force has held hearings across the country and is to report to the federal cabinet by June 26 with recommendations on any changes to federal policy.

Dr. Kenny, in his brief, traced the history of federal support of universities from the end of the Second World War. "The growing involvement of the federal government in providing financial support for post-secondary education has coincided with the acceleration of social development," he said.

The UBC president cautioned against "opting for short-term solutions which may have adverse long-term effects," noting that universities were not internal combustion engines to be switched on and off at will.

President presents brief on funding

Rain fails to dampen Centre opening

A prince and a premier shared a pair of golden shears to cut a blue and yellow ribbon on Friday — and UBC's magnificent new Asian Centre was officially open.

Premier William Bennett, designated as the official ribbon-cutter, called upon His Imperial Highness Prince Norishito of Mikasa, nephew of the Emperor of Japan, to share the duty with him. Jointly, they snipped the ribbon stretching across the entrance causeway to the applause of some 400 guests.

That was at 4 o'clock in the afternoon, fortunately during a brief break in a day of almost continuous heavy rain.

Although the weather did little to dampen enthusiasm, it did force the University to move most of the opening ceremony into the Recital Hall of the Music Building — packed to well beyond normal capacity.

Chancellor J.V. Clyne, who noted that it was a day marked with "pride of accomplishment," introduced the five speakers — Joseph Whitehead, chairman of the Asian Centre fundraising committee; Senator Ray Perrault, representing the federal government; Prince Norishito, who is studying law at Queen's University in Kingston; UBC President Douglas Kenny, and then Premier Bennett.

Following the ribbon-cutting, the many guests thonged through the official opening of UBC's new Asian Centre Friday (June 5) became an international affair when B.C. Premier William Bennett invited Prince Norishito of Mikasa, a member of the royal family of Japan, to join him in ribbon-cutting ceremony. On prince's right is UBC President Douglas Kenny. To Mr. Bennett's left are Dean of Arts Robert Wall, Director of Ceremonies Ben Moyls, and Chancellor J. V. Clyne.

Foreign students supported

University of British Columbia — because he was a graduate of our University. He stressed to me the importance that it would be short-sighted indeed if we ever restrict — in fact if we did not expand — the educational opportunities for others to come and study and learn with us.

"I hope this will be a two-way street, President Kenny, for it's an immeasurable investment, and an investment in that type of educational exchange worth a few thousand dollars is worth a million dollars of diplomacy later on in our history.

"I think that Canadians and the people at the University should not respond to those who show concern but should be aggressive in encouraging the educational interchange and the expansion of it," Premier Bennett said during his remarks at the opening of the Asian Centre.

Here is the part of the Premier's speech relating to visiting students:

"I saw that our opportunities were more than trade as we went through countries such as Indonesia and met some of the leaders of commerce, or of plants, business and industry and politics.

"It was pleasing, Dr. Kenny, to realize that some of these people — one in particular, I can remember— looked at Canada fondly and British Columbia in particular, and the
President continued from page 1

"They are delicate institutions that have resulted from a long accumulation of a 'critical mass' of human imagination and creativity. If universities are denied the resources to perform for large crowd in the museum's great hall."

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that students should be given a country-wide choice in higher education. He also said that although students should always pay part of the cost of their education, tuition fees should never equal the full cost of a university education, "since society gains more by higher education than does the individual."

The UBC president said his proposal would also ensure that all provincial governments supported higher education. The first step in determining what Ottawa might contribute via tuition grants would be for each province to make known its total operating grant to its system of higher education.

Next, he said, each institution should set its tuition fees and determine all operating expenditures for the year. The third step would be for the federal government to determine its "visible and accountable" contribution to the total operating costs of all of the universities. This contribution would be fixed a percentage, tied to growth of the Gross National Product (GNP).

The final step in the sequence, Dr. Kenny said, would be for Ottawa to make a Federal Tuition Grant (FTG) to each student enrolled in a university, the size of the grant to be determined by the number of students and the total federal contribution relative to provincial grants and fee revenue.

Data compiled by the committee show that "UBC would have received about $12.5 million more in 1980-81 than it actually did" if the formula had been applied in such a way that the distribution of funds among the three universities was in proportion to the relative cost-weighted, full-time equivalent student enrolments.

The formula also adds, that on the average "UBC received 16 per cent less than UVic and 12 percent less than SFU per WFTFE (cost-weighted full-time equivalent student) over the last three years."

There are two fundamental reasons for the inequitable allocation of funds, the report continues.

The first of these is an assumption that economies of scale are possible at UBC because of higher enrolments. "At a university like UBC," the report says, "which offers a wide range of specialized undergraduate, graduate and professional programs requiring special facilities and frequently with relatively small enrolments, there are few costs which depend only on the size of the university."

"It is our conclusion that the assumption implicit in this formula that large economics of scale are possible at UBC is ill-founded."

The second assumption centres on the UBC's general purpose operating formula, the special cost factor SFU's trimester system. The UBC committee does not recognize that UBC operates many better on a year-round basis, the report says, and no allowance is made for additional UBC operating costs arising from the relative age of its buildings and the operation of a comprehensive library that serves as a province-wide resource.

The committee concludes his report with four specific recommendations. These call for:

- Development of the 'head count' factor from the allocation mechanism "until there is good empirical evidence for substantial economies of scale in B.C. universities."
- An allowance to be made for spring and summer sessions at UBC and UVic if such an allowance is to continue for SFU.
- Full recognition to be given to the cost-weighted FTE measure in the allocation mechanism; and
- The phasing in of changes over a reasonable period.

Operating grant up, 11.83 per cent

UBC's general purpose operating grants for 1981-82 have been set at $157,477,000 by the Universities Council of B.C., an increase of 11.83 per cent over the 1980-81 general purpose operating grant of $139,431,000.

The University's total operating grant is $161,050,000, an increase of 12.37 per cent. The total grant includes just over $3.5 million that must be used for designated purposes. Wages and salaries are paid from the general purpose grant.

The University's general purpose operating grants for the University of Victoria is up 13.9 per cent, and Simon Fraser University's is up 11.63 per cent.