

Lakehead president meets Rae's challenge



**NORTHERN
INSIGHTS**

by Larry Sanders



Dr. Robert Rosehart, President of Lakehead University, is the highest-profile president in the university's history.

His off-campus adventures in the past on single-industry towns—and current efforts as the province's negotiator with the Nish-Nawbe Aski Nation on self-government—are well-known.

Rosehart has always ducked media questions about his personal political affiliations and is said to have turned down several recruitment offers from all three major parties.

Instead, he seems to follow the practice of trying to do what pleases the government in power—whatever its stripe.

During the Conservative and Liberal eras at Queen's Park, he hosted cabinet ministers and served on whatever task forces that were created.

With the NDP government, he's gone beyond helping them out with aboriginal self-government by using Lakehead University as an experiment in creative re-shaping of institutions in lean times.

You might remember Bob Rae's extraordinary television address Jan. 21. In that talk, Rae threw out a challenge to all publicly-funded institutions in Ontario, calling for creativity and openness to cope with the province's deficit difficulties while still maintaining services without layoffs.

Rae said, "for the first time in the province's history, we've opened the books before a budget to share a complete report on our finances—what we spend money on, and how we raise and borrow money."

Demonstrate creativity

Rae appealed to municipalities, hospitals, school boards, colleges and universities to demonstrate creativity and openness, as the province had, to solve problems he admitted would come up because transfer payments were being limited to five per cent over the next three years.

Rosehart took the Premier's challenge literally, and went to work.

With strong support from all unions and staff associations on campus, LU has done as the Premier asked in the TV talk, to "see this as an opportunity to reconstruct our public services—to deliver them more efficiently and effectively . . . to manage this change . . . with every bit of imagination, creativity and co-operation we have and work out the fairest ways to maintain services, streamline operations, and preserve jobs."

Planning its budget for the fiscal year beginning May 1, LU threw open its books and called for cost-saving suggestions. A special task force was created involving not just the usual management and faculty representatives, but also representatives of the rank and file support staff. Suggestions for saving money were solicited from everyone on campus.

In the words of Jack Drewes, who represents the Service Employees International Union (SEIU) on the task force, "we went through all the suggestions that every employee put forward . . . from the ludicrous to the very good suggestions. We were involved directly in the process, which is really unique to involve labour in the process of the budget."

Still faced deficit

But despite the work of this task force, Lakehead still faced a \$1 million dollar deficit in 1992-93 because its costs are rising by more than four per cent and grants are only going up by one per cent.

After lengthy consultations with all bargaining units and staff associations on campus, a seven-part "declaration of intention" was signed April 1 that commits the University to a policy of no layoffs—maintaining all full-time positions and programs on the campus—in exchange for employees' voluntary contributions of one week's unpaid leave, or a donation to the University equivalent to one week's pay. The contributions and unpaid leaves will amount to nearly \$750,000.

Other budget reductions and cost saving measures, such as hiring teaching assistants starting on Aug. 1 instead of July 1, will trim the remaining quarter million and eliminate LU's potential deficit.

"They came to us with the books open," says Drewes.

"They stated above board exactly what the situation was and how we could deal with it. They've let our members and other members voice opinions on ways to save money. It's been a very co-operative effort between both management and union."

"(The agreement meets) what the government has suggested the public sector do in being innovative and creative in finding ways to live within the

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Ontario's Progressive Conservatives react to 1992-93 NDP budget

With the 1992-93 provincial budget announcing spending increases of 4.9 per cent, growth in Ontario government spending continues to be the highest of all provinces. It's more than twice the rate of inflation and well above increases in other Canadian jurisdictions.

The 12 tax grabs in this budget pull more than a billion dollars out of the provincial economy. The middle-class is hit hard—this budget drops the surtax level to include those earning \$53,000 and over, and broadens the Employers Health Tax to snare the self-employed and farmers. Business confidence is shaken further as the NDP place new temporary surtax on bank income. Provincial budget figures estimate the move will haul \$35 million out of the economy over the next 18 months.

Worse, the budget refuses to address the two most urgent concerns of Ontario's business community: Sunday shopping, which is desperately needed to counter the cross-border shopping crisis, and the NDP's proposed changes to the Ontario Labour Relations Act.

The government has included in its revenue projections a total of \$1.2 billion in federal stabilization payments which it has *not yet received* from the federal government. The Treasurer has also deferred matching contributions to public pension funds, shaving some \$564 million from its expenditures. This brings into question the credibility of the government's numbers.

The deficit for the past fiscal year has been revised upward to \$10.9 billion. There is a projected deficit of \$9.9 billion for the coming year and an accumulated debt of \$62 billion. It's a sobering reality—the big spending years of the Liberal administration, combined with the big deficit years of the NDP administration, will haunt our province for a very long time. In the seven years of the Liberal/NDP era there have been no fewer than 55 tax increases with spending at *double* the rate of inflation.

The message is clear—Ontario has a long way to go on the road to sound fiscal management.

What we now owe

- revised 1991-92 deficit: \$10.9 billion
- projected 1992-93 deficit: \$9.9 billion
- accumulated debt: \$62 billion
- debt per person: \$6, 244

Where the money's going

- Annual debt service costs: \$5.7 billion (17.5 per cent increase)
- spending: \$54.8 billion (4.9 per cent increase—projected inflation: 2 per cent)
- key new programs/spending highlights:
 - \$1.1 billion over three years for training programs for social assistance recipients
 - \$1 billion in additional welfare spending
 - gambling casinos for border communities
 - 1.5 per cent increase in health care spending lowest in two decades
 - commitment to a further 20,000 new non-profit housing units

Where it's coming from

- 1991-92 revenues: \$44.9 billion
- key tax increases/changes:
 - two per cent phased increase in Ontario personal income tax rate
 - 14 per cent surtax imposed on incomes of \$53,000 and over beginning July 1992
 - Employer Health Tax broadened to include self-employed (first \$40,000 exempt)

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