



# ubc reports

## President Kenny's December 2 statement to UBC's Joint Faculties

President Kenny addressed the Joint Faculties of the University last Thursday (Dec. 2) on "the present fiscal situation of the University and its academic implications." Here is the full text of his remarks.

There is an old Chinese proverb which seems particularly appropriate on an occasion like this: "May you live in interesting times." As a University, we are living in *very* interesting times. That is why I have called this meeting.

This University faces a challenge. Universities are resilient institutions, but the challenge is a serious one. Our values and our standards are in question. The effective operation of the University faces a severe test. In short, we are confronted with a situation with serious fiscal and academic implications. Some very difficult decisions lie ahead of us.

The first purpose of this meeting is simply to inform you of that fact: to impress upon you a realistic awareness of its seriousness, to discourage you from over-reacting, and to encourage as much as I can a positive, constructive and co-operative response to the problems which face us.

The second purpose of this meeting is to make everyone in the University

community aware of the facts. I am particularly concerned that faculty and students should be fully informed.

I will try to lay before you the particulars of the University's fiscal situation. I hope you will be patient with me. In trying to be clear and complete I may be explaining things with which some of you are already familiar. I want to be sure that everyone understands the problems we are facing.

Specifically, I will explain and discuss the following points:

First, the fiscal arrangements in the current year, including a description of how this year's operating budget was arrived at;

Second, the present status of capital funding, i.e. the funding of building projects; and

Third, what has happened so far

with respect to our proposed operating budget for the 1977-78 fiscal year, how the prospects look for that year, and the problems and decisions which face us if certain developments occur, and there is reason to think they may occur.

Finally, I would like to tell you briefly what I believe are two main implications of these developments for this University as an academic community.

Let me begin with the facts about our most recently completed financial year, 1975-76. In order to be sure that these facts are clear to everyone, I will review briefly how the budgeting process works at this University.

Our main source of revenue is an annual operating grant from the provincial government, which constitutes approximately 84 per cent of our operating budget. Our other main source of revenue is student tuition and other fees, which comprise about 11 per cent of our operating budget. The remainder of our revenues, some 5 per cent, are derived from services, investment income and miscellaneous sources.

Our expenditures divide into five major categories: academic — 74.1 per

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cent; library — 7.4 per cent; student services and scholarships — 2.2 per cent; administration and general — 4.6 per cent; and physical plant — 11.7 per cent. Taken together, the first two categories comprise our academic and academic support functions and make up 81.5 per cent of our budget, the largest proportion of any sizable Canadian university. Our administrative costs, incidentally, are proportionately the lowest of any Canadian university.

Put another way, about 83 per cent of our expenditures are for salaries and wages, and only 17 per cent for non-salary items.

Let me now describe briefly how our major revenue source, the government operating grant is determined. Under the new Universities Act of 1974, as you know, the provincial government created a Universities Council, which is designed to act as an intermediary between the universities and the government, interpreting and representing our interests and needs to the government. According to the Universities Act, we are required to submit to the Council by Aug. 15 of each year our requests for funds, or estimates for operating purposes, for the fiscal year beginning the following April 1.

After considering these estimates from the universities, the Council then forwards them — along with its own recommended estimates — to the government by Oct. 15. When the government announces its budget, usually in February or March, it of course includes the amount it has decided to grant the universities. This total grant is then allocated among the universities by the Council according to its judgment of the respective needs of each university.

Theoretically, this system appears to make sense. In practice, there are some difficulties. Since the Council is a group of lay persons, it is necessary for the universities to explain their funding requests to people who are not familiar with the nature and functioning of a university. Also, the Council feels that, in order to make decisions about university funding, it must closely inquire into every aspect of university operations. Answering

this constant stream of detailed enquiries, incidentally, is very time-consuming for the administration. Finally, despite the fact that it does not have the power to tell the universities how they shall allocate the funds granted, the Council — in working out its decision *whether* to grant funds to a university — has inevitably tended to try to exert influence on decisions which belong within the university.

However, despite the fact that I am sometimes puzzled by the Council's interpretation of its public advocacy role, I am still hopeful that it can play a constructive part in the development of higher education in the province.

How are the operating cost estimates submitted to the Council arrived at? The preparation of these estimates involves a long process of consultation and discussion across the University.

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**"About 83 per cent  
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This iterative process starts at the department level, where the head, with appropriate consultation, examines the academic functions and needs of the department and makes his or her requests to the dean. These are discussed in detail with the dean, and sometimes revised after further consultation within the department. The dean, after additional consultations, then makes budget recommendations to the president.

Again, there is considerable discussion with each dean, often resulting in further revisions and further consultations in the faculty. The president is also required to discuss the entire University budget with the Senate budget committee, which gives further advice on possible revisions.

Finally, after this long process of consultation, the president recommends a budget to the Board of Governors, which has the final

authority over such matters. Further revision of the operating estimates can be made by the Board. When it approves the figures, however, the University's official estimates for operating purposes are finally submitted to the Universities Council.

Another significant process involved in arriving at the estimated operating costs is collective bargaining. There are seven unions representing employed staff and of course the Faculty Association representing faculty members and librarians. The University engages in annual negotiations with each group. The result of these negotiations is binding on the University and determines the amount of wage and salary increase to be included in the estimates for operating purposes. As I have already mentioned, some 83 per cent of that operating budget is salaries and wages, so of course the collective agreement negotiations are an extremely important determinant of our operating estimates.

This whole process of consultation and negotiation requires months of concentrated effort on the part of hundreds of people. The result represents the final collective best judgment of the University's needs for the following year.

For 1975-76, the total operating revenue of the University was \$110,636,974. Of this amount, \$91,988,957 (83.2 per cent) was the provincial operating grant.

The estimate for operating purposes submitted in August, 1975, for the fiscal year in 1976-77 was \$127,708,689. Specifically, the University requested an increase in the government operating grant of \$35,719,732.

In October of 1975, the Council submitted its recommendation to the government. As you will recall, it was in that same month that the federal government announced its anti-inflation guidelines. As a result of this, the provincial government requested the Council to revise its recommendation to take these guidelines into account. The Council in turn asked the universities to reduce

the salary and wages component of their request to a maximum 10 per cent increase.

The requested increase in the government operating grant for 1976-77 therefore became \$23,898,344, representing a 26 per cent increase over the previous year. Of this increase approximately \$7 million was required to meet carry-over commitments, i.e. salary increases, necessary staff increases and other items which had been agreed on in the course of the preceding year and to which the University was therefore committed.

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**"These salary increases ...are not for one year only."**

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Let me make clear just what is involved in this matter of carry-over commitments. As you know, the University's appointment and salary year for faculty runs from July 1 to June 30. There are also several union contracts with other annual dates. The fiscal year, however, is from April 1 to March 31. Each year there are faculty salary increases taking effect on July 1 which must be paid through to the following June 30, or three months past the end of the fiscal year and into the *new* fiscal year.

These salary increases, of course, are not for one year only. They are permanent commitments which continue thereafter. For that reason, the money required to pay them must also be continuing, i.e. become a permanent part of the University's operating base.

This would be true whatever the dates of appointment year and fiscal year. The dates are secondary. What is essential is that any money granted by the provincial government can only provide for such continuing commitments if it is *permanent* money. Thus, in the past, a part of our annual requested increase in operating grant has been simply to provide for such commitments. Of course, an additional increase is also requested to

cover further salary and other necessary increases which start the following July 1. The practice of carry-over commitments has been used by the universities for many years, with the knowledge and consent of the government.

Last spring, however, when the state of the provincial economy suggested to the government that increases in university grants might have to be considerably lower than in previous years, the minister of education decided that the question of carry-over commitments required special attention. This attention also seemed necessary to him because the carry-over commitments into 1976-77 were considerably larger than in previous years, due to larger than usual salary and wage increases in 1975.

The minister decided to try to deal with the problem by means of a supplementary grant to universities which would remove the additional pressure for increases created by these commitments. He therefore instructed the Universities Council to employ a firm of professional financial consultants to determine what the actual amounts of the universities' salary carry-over commitments were.

This they did, and the universities' figures were verified. The total was \$11.8 million for the three universities.

In March, the minister introduced a special warrant of \$7.5 million dollars to make at least partial provision for these continuing commitments. The warrant was passed and the Universities Council allotted the amount among the universities. UBC's share was \$4.5 million — which, incidentally, was short by \$2.5 million of our carry-over commitments. With the receipt of the \$4.5 million, we were faced with the decision of whether to incorporate this amount into our operating base. Since the warrant was given for *continuing* commitments, we did incorporate it, and wrote the minister that we were doing so.

The alternative — i.e. treating the amount as a strictly one-time supplement — would have meant that

it could not in fact have been used to meet permanent carry-over commitments. This in turn would have meant either reducing our 1976-77 budget by \$4.5 million to meet these commitments, or to avoid making any further commitments in July, i.e. to grant no salary increases. In our judgment these were not reasonable alternatives.

Later last March, the government announced an increase in the total operating grant to the universities of about 8.5 per cent. After the Council had decided on the division of this amount, UBC received an increase of 8.02 per cent. Thus, including the amount of the special warrant, UBC received an increase in its government grant for 1976-77 of 12.9 per cent.

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**"We were of course faced with a shortfall."**

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The grant increase requested by the Council for the universities had been 26 per cent. We were of course faced with a shortfall.

As a result of this shortfall, we resumed negotiations with the Faculty Association, according to the terms of our agreement, which says that if the amount of the government grant is more than 2 per cent less than the amount requested, negotiations can be reopened. As you know, we finally had to go to arbitration, which

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resulted in an overall salary increase of 8 per cent, plus .5 per cent for inequities.

Even with a lower salary increase than originally requested, however, the government grant was not sufficient to meet our needs. Fortunately, we were able to secure approximately \$1.2 million from additional revenues. But we still had to find ways to cut \$1.3 million from our total operations. This required lengthy discussions with deans and the heads of non-academic departments, and resulted in very difficult and serious cutbacks in every part of the University.

After the arbitration award on faculty salaries, a further amount was needed to meet the costs of the award. When a request for this amount was rejected by the government, it was necessary to retrieve it from University operations by means of a further ½ per cent cut across the board. Thus, in all, we were forced to cut back our operating budget by a total of \$1.8 million in order to manage this year.

*At this point in his talk, President Kenny drew attention to a table of UBC operating finances which he projected onto a screen in the Woodward Instructional Resources Centre. The table is reproduced, with his comments on p. 5, opposite.*

That, then, is how we got to where we are in our present operating budget. I hope this explanation may have helped you to understand a little better how it is that we are operating this year on a considerably tightened budget. I might add that the whole experience of adjusting our operations to their present level of constraint has been, for me personally, a sobering experience. I am extremely grateful for all the help I have received during this time. These sometimes traumatic adjustments would not have been possible without the constructive co-operation of many people, among whom I'd like particularly to mention the deans and the members of the Senate budget committee.

Before I go on to the matter of our 1977-78 operating estimates, let me take a moment to describe the present situation with regard to capital funding.

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**"...adjusting our operations to their present level... has been, for me personally, a sobering experience."**

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At the time the government announced this year's operating grants, they also made clear that there would be no capital monies allocated to the universities for new projects. Instead, there was to be only a comparatively small sum allotted for necessary maintenance and renovation of existing facilities.

A little later in the year, the minister announced that the financing of capital projects at the universities would in the future be handled quite differently. Previously the universities had submitted each year a list of capital project priorities and the government granted a certain amount, separately from operating monies, for some of these projects. With the advent of the Universities Council, this system continued in essentially the same form. In fact, we had submitted to the Council in 1975 a five-year projection of capital funding needs which we understood would be funded in the usual manner. Our needs for academic space had been established

by the Senate academic building needs committee, which carefully examines submissions from all faculties and establishes a priority list which it submits to the Board of Governors.

In the spring session of the Legislature, the government passed Bill 46, the B.C. Educational Institutions Capital Financing Authority Act, by which a borrowing authority was created for the funding of capital building projects at the universities. In the future, then, such projects are to be funded by borrowing the necessary money through a government borrowing authority, with the government guaranteeing the repayment and amortization costs. Following the passage of this bill, we were asked by the government through the Council to do two things.

First, we were asked to submit for immediate consideration any unfinished projects — buildings or facilities which were under way but needed funds to be completed. These were to be submitted without regard to their priority in the University's building needs.

We have submitted three such projects: (1) the Library Processing Centre, which is needed because the processing section of the present library has been declared by the factory inspector to be substandard in working conditions; (2) the Aquatic Centre, now under way and funded in part by student support and student, faculty and outside fund-raising; and (3) the Asian Centre, of which only the first phase has been completed, funded by contributions from Japan and the federal and provincial governments. We do not yet know the final decision of the Council or the government about our submissions of these projects.

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# UBC Operating Finances

	<u>ACTUAL</u> <u>75-76</u>	<u>REDUCED*</u> <u>76-77</u>	<u>BASIC**</u> <u>77-78</u>
<b>EXPENDITURES</b>			
Salary	\$ 90,776,627	\$103,617,333	\$105,273,804 (1)
Non-salary	19,860,347	19,443,783	17,787,312 (4)
<b>TOTAL</b>	<b>\$110,636,974</b>	<b>\$123,061,116</b>	<b>\$123,061,116 (5)</b>
<b>REVENUES</b>			
Province of B.C.			
Basic Grant	71,881,415	91,988,957	99,370,966
Increase	20,107,542	7,382,009 (3)	?
Increase %	(27.97%)	(8.02%)	
Sub-total	91,988,957	99,370,966	99,370,966
Special Warrant	Nil	4,549,800	
Special Warrant %		(4.95%)	
Total provincial	91,988,957	103,920,766	99,370,966 (2)
Fees & other revenue	18,648,017	19,140,350	19,140,350
<b>TOTAL</b>	<b>\$110,636,974</b>	<b>\$123,061,116</b>	<b>\$118,511,316</b>
Possible shortfall	—	—	\$ 4,549,800 (6)

\*The term "Reduced" refers to budget reductions of \$1,800,000.

\*\*The term "Basic" refers to the '76-77 reduced budget projected into '77-78 but *without* any provision for negotiated salary increases, inflation, growth, development, etc.

The financial summary which I have just put on the screen highlights and re-emphasizes some of the points to which I have made reference earlier in my talk. Let me first call your attention to the footnotes which explain what columns two and three are. Next, I would like you to notice these particular points:

- (1) This figure indicates the labor intensive nature of the University operations. The salary proportion of total expenditures is increasing from 82 per cent in 1975-76 to almost 86 per cent in the basic 1977-78 column.
- (2) The grant from the Province of British Columbia is the major source of revenue and is of the order of 83 per cent to 84 per cent.
- (3) Note the sharp decline in the increase in the basic operating grant from \$20,107,542 in 1975-76 to \$7,382,009 in 1976-77: a drop in the increase in the grant from 27.97 per cent to 8.02 per cent.
- (4) Extreme pressure is being exerted on non-salary expenditures, many of which are virtually non-controllable, for example heat, light, etc. The cost of these items is increasing steadily.
- (5) Since April 1, 1976, we have operated in accordance with the "no commitment edict" of the minister of education. This is demonstrated by the fact that our basic 1977-78 expenditures in the aggregate are held in line with those of the previous year (\$123,061,116 vs \$123,061,116).
- (6) However, without a continuance of the special warrant amount of \$4.5 million (or funds in lieu of the special warrant provision) being built into the increase in the basic grant, there will be a shortfall of at least \$4.5 million. The critical problem facing the University is, what value will be placed on the question mark? Will it be enough to overcome the non-continuance of the special warrant amount of \$4.5 million plus the funds necessary to meet negotiated salary settlements for 1977-78, plus the inflationary costs of non-salary items, plus provision for enrolment growth, for development or other additional expenditures.

We have also been asked to submit to the Council by January a complete list of our building priorities for consideration under the new borrowing authority system. Because of the new system, and because our last examination of these priorities was done in 1974, the Senate academic building needs committee is re-examining our needs and has invited any new information faculties and departments may wish to submit. When their re-examination is complete, this list, after Board approval, will be submitted to the Council, who in turn will make their recommendations to the government by March 1, 1977.

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...an increase  
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That is where we stand at the moment with regard to capital project funding.

Let me now return to the subject of operating funds. On Aug. 15, we were required to submit to the Universities Council our estimates for operating purposes for the fiscal year starting next April. At the same time, under a new system introduced by the Council, we were asked to present our estimates for the following two years as well. Thus deans and the heads of non-academic units had to prepare, through the system of consultations I have described, estimates of their needs for three years in advance. In doing so, they had to include several major considerations. First, enrolment growth had to be taken into account, based on the best projections we could produce. Second, they had to plan

ahead for the initiation and development of new programs. Third, they had to consider the funding needs of our existing programs.

This three-year estimate of our operating needs had to be prepared for submission to the Council in August. At the same time, of course, we entered into negotiations with the Faculty Association in order to agree upon a salary increase for 1977-78 which could be included in the submission to the Council. Happily, we were able to reach agreement on a proposed salary increase. This comprised a basic increase of 7 per cent, plus 3 per cent for career development and merit adjustments, and .5 per cent for inequity adjustments. Included also in our submission to Council was .7 per cent to cover the estimated additional cost of the revised study leave proposal agreed upon last year.

Thus, our total requested government grant submitted to the Council in August was \$129,804,130. This involves an increase of 25 per cent over the 1976-77 operating grant.

Please note that in our submission the \$4.5 million received by special warrant last spring is included in the base operating figure over which we are requesting an increase. I have already explained why this was done. In early summer, however, the minister stated that this amount will not form part of the base, but was in fact only a one-time grant. This development is a crucial factor in the situation we now face. I will return to it in a moment.

At this point, I must mention another series of events which relate significantly to our total fiscal situation. That is the matter of the proposed expansion of our medical school. On March 9, the minister of education and the minister of health made an announcement in which they called upon this University to double the size of our medical class from the present 80 students to 160 per year.

In their announcement, the ministers stated that \$50 million was available, in matched provincial

government and federal health resources funds, to build a campus teaching hospital of 240 beds, provide the additional basic science facilities required for the expansion, and update the clinical teaching facilities at the downtown teaching hospitals. The ministers asked the University to present within 60 days a plan for accomplishing the expansion of the medical class.

After consultation with the Board of Governors, and the dean and academic and clinical department heads in the Faculty of Medicine, it was decided that the University should try to respond positively to the government's challenge. Accordingly, a report was prepared, in consultation with the downtown teaching hospitals, setting out the necessary conditions under which the University would be prepared to consider expanding its medical class. It was determined that minimally adequate facilities to handle the enlarged class could be built with the capital funds proposed.

More important, however, was the question of operating costs. We realized that the increased operating funds needed to accomplish the class expansion would have to be provided in a way which would not adversely affect the funding of the University's other academic functions, including the present operations of the Faculty of Medicine.

It was therefore stated forcefully in our report to the government that, before embarking on any expansion plan, the University would require firm assurances that the funding of the medical class expansion would be provided independently, without impinging on the rest of the University's operating support. After much discussion with the government, we have now received sufficient assurance to justify putting the question to the Faculty of Medicine, the Senate and the Board of Governors.

But from the start we have been aware of the inherent contradiction of the government wishing to expand one segment of the University and simultaneously voicing a policy of restraint for the University as a whole. We were faced with the fact, however, that the government had made expansion of the medical school a top

priority. Nevertheless, we have constantly insisted on the necessity of protecting the operations of the University as a whole from potential adverse effects.

We also stressed in our response to the government's challenge that another important condition of undertaking expansion was securing the necessary academic approvals from the Faculty of Medicine itself, the Senate and the Board of Governors. The matter is coming before the Faculty of Medicine on Dec. 6, will be discussed by the Senate in the very near future, and subsequently will come before the Board of Governors. I will not attempt to predict the outcome of their deliberations.

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**"...the weather signs  
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I will tell you  
what they are."**

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I have now, at last, reached the present moment. From now on I must deal in conjecture. We do not yet know what increase the Council has recommended to the government, and we will not know until February or March what increase the government will actually grant the universities.

But the weather signs are not promising. I will tell you what they are.

First, as I have mentioned, the minister has stated that the \$4.5 million warrant amount will not be included in our base operating grant. If this happens, it means quite simply that even if we should receive the percentage increase we have requested, we will in fact still be \$4.5 million short of our needs.

Second, the minister has made a number of statements recently which suggest that next spring's grant to the universities may well involve little or no increase over last year. In fact, the minister just last week wrote to the chairman of the Universities Council on this matter. I think you should know what he said.

First, he states, "It is necessary for us to inform you that it is unlikely that the provincial government will be able to supply the full amount of the operating grants requested by the Universities Council."

Even more significant is the next paragraph in his letter. Let me read it to you in full:

"Further, it has come to my attention that certain members of the university community are assuming that salary increases will be supported if they do not exceed maximum limits established by the Anti-Inflation Board. I must advise you that there is no guarantee that provincial grants will be sufficient to support such settlements, even if they would not be rolled back by the Anti-Inflation Board. Obviously, the AIB is concerned with the national question of inflationary control, and does not concern itself with either the ability of provinces to provide funds, or whether previous salary and wage levels reflect appropriate productivity. Those are questions to be decided by government upon recommendation of the Universities Council." [Emphasis added.]

These, then, are some of the weather signs. They suggest that we may well face considerable difficulty in the coming year. I cannot predict the exact dimensions of that difficulty. It is, of course, clear that if the \$4.5 million from the government warrant is not included in our grant, we will face a shortfall of at least that much. It is conceivable that the amount of shortfall could be greater; how much greater would depend mainly on the extent to which the government grant provides the increase we have requested to fund our salary and wage settlements.

Trying to predict actual figures would be an idle exercise. However, I feel I have a responsibility to present the possibilities to you, so that you may see the magnitude of the potential problem we must be prepared to face.

Finally, what should we do if a serious shortfall should occur? Though we cannot predict with certainty, clearly we must make every effort to be prepared.

Obviously, there are two means available to handle a shortfall:

increasing revenue and/or reducing expenditure. Let's look at our options in these two categories.

How can we increase revenue? As I have said, we have only three basic sources of revenue. The Board of Governors, unfortunately, is not authorized to print money; nor does the Universities Act authorize it to engage in deficit financing, unless it receives specific permission to do so by order-in-council, which in present circumstances is extremely unlikely. The Board, therefore, must do the best it can with very little control over sources of revenue.

Our main resource is, of course, the government grant. We are doing all we can to increase that by presenting a reasoned and reasonable request to the Universities Council and the government, and by pressing our case as strongly as possible. This we will continue to do.

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**"...we are faced with  
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Second, we are examining our other non-tuition sources of revenue very closely to discover every possible means of increasing these by reasonable means. In this area, however, the possibilities are severely limited.

Finally, we are faced with the possibility of having to increase our revenue from student tuition fees to help offset a potential shortfall. To meet the need for \$4.5 million, for example, would require an increase in tuition fees of approximately \$200 per student, or about 45 per cent. This is a large increase: unfairly large, in my opinion.

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*Continued from p. 7*

There are some who contend that we should do this, however. They argue that since we have not had a tuition increase since 1965, the proportion of educational costs paid by students has fallen from about 32 per cent to about 10 per cent. They feel that to return to the higher percentage figure would not be unfair, since students benefit, financially and otherwise, from their education and should pay a sizable proportion of its cost. Second, they argue that if the need is not met through tuition increases, it can only be met by a serious reduction in academic programs, which will be to everyone's detriment, particularly students'.

As I have said many times, I personally believe in the lowest possible tuition fees, because I am concerned about maintaining maximum accessibility to higher education. However, I also believe strongly in maintaining the quality of education. For these reasons, my personal desire is to keep any necessary increase in tuition fees at the lowest level consistent with maintaining high academic standards at this University.

Minimizing tuition increases, however, will reduce our ability to meet the need simply by increasing revenue. Accordingly, we must look — and we are looking — at ways to reduce expenditures. We will of course look first at ways which will least affect our academic programs. But since the bulk of our budget goes to academic functions it is clear that if cuts must be made they are bound to harm the academic enterprise.

We may have to face the prospect of actual reductions in our academic offerings, larger classes, increased teaching loads. If cuts are required, the decisions will of course be made with consultation at least as wide as that by which our budget is worked out. But if the need is there, sacrifice will be required from everyone.

Meanwhile, we are doing our best to prepare for possible eventualities. Several weeks ago, as many of you are already aware, the deans were asked to begin formulating contingency plans. Discussions are now going on about how such contingencies could be met with the least possible harm to our essential academic functions.

At the same time, as part of the normal budgetary process, we must

begin thinking about our next submission to the Universities Council. Again, it is to be for a three-year period — in this case, 1978-79, 1979-80, and 1980-81. Though it may seem contradictory to be asked to plan at the same time for cutting back and for normal growth and development, it is probably better so. It is essential, I think, that we not let the prospect or even the reality of hard times entirely determine our thinking. A depression mentality is not appropriate for an institution devoted essentially to the future.

That question of attitude — the effect of the situation on us, our response to it — is the last point I would like to mention. It is a crucial point. Despite my necessary emphasis today on matters of finance, the more important question, I believe, is not "How great is the difficulty, how many dollars will we lose?", but "How will we respond as an institution, as a community of learning?"

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**"...can we maintain  
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As I said at the start, this University is being tested. And not only this University. The problems I have been describing are not unique to UBC, or British Columbia. They are being widely experienced across Canada and the rest of North America.

The problem, while to a great extent economic in origin, is by no means merely a problem of shortage of money. When money is short, social pressures mount and society's perceptions of priorities are affected. When the economic stress eases, which it will, many of the doubts now felt will be relieved and more normal responses will probably return.

As long as such stress continues, however, the public, and governments, tend to lose their long-range perspective and to judge most things in immediate economic terms. Thus questions are raised about the value of higher education. Newspapers and magazines start printing articles about the worth of the bachelor's degree. The public starts wondering if higher education isn't just a luxury. Notions like zero-based budgeting gain currency and are applied in the public's mind to institutions of higher

learning. The public, and governments, begin to ask universities to justify their existence, and their cost.

We are thus in a position where, like it or not, the University itself may have to adopt a zero-based attitude. Certainly we must re-examine and reaffirm our basic functions and goals, so as to be able to convince taxpayers and governments that those goals are worth the cost. That is one essential part of the challenge we face.

The other part is even closer to home. How will we react internally to the pressures of restraint and possible cutbacks? We are a community of learning. To many, however, we are simply a community made up of privileged people with vested interests. Some therefore expect that we will respond as certain other communities have: dog eat dog, the devil take the hindmost.

But because we are a special kind of community, I believe we can confound such expectations. We are bound together by a common concern for learning and teaching, by common values like truth and tolerance. Our most fundamental characteristic as a university is that, whatever the pressures of the present, we are basically dedicated to the future.

At the moment, the immediate future may look bleak. But as things change, as the economy regains its natural vitality, I am sure that the public's awareness of the long-term value of higher education will return.

Meanwhile, many people are watching us to see how we respond to the test. At a time when economic and political and social pressures are all pushing us towards reacting with defensive self-interest, can we maintain our hold on the values this institution represents and to which we as members of that institution have committed ourselves?

I believe we can. I ask for your help in proving that we can.



# Busy week on the UBC labor scene

This week is a busy one on the labor scene at UBC.

On Tuesday (Dec. 7), the

## Federal gift aids pool

UBC students and local citizens are \$435,000 closer to an indoor swimming pool.

That amount of money was pledged toward construction of UBC's aquatic centre on Sunday by Hon. Iona Campagnolo, minister of state for fitness and amateur sport.

The money was from a federal government fund to allow universities to bring athletic facilities up to international standards of competition. Another stipulation of the Physical Resources Development Program is that the local community must be able to use the facility to the greatest extent possible.

University and the Association of University and College Employees, Local 1, resumed negotiations under

Stage one of the pool has already begun and is scheduled for completion late this spring. Money for stage one came from the Alma Mater Society, the provincial government's Community Recreational Facilities Fund and the University.

The federal grant of \$435,000 will be applied to stage two of construction. Fund raisers need an additional \$1 million to complete construction of the facility.

If there is no break in construction work between the end of stage one and the beginning of two, the centre should be open during the winter of 1977-78.

mediator Jock Waterston, who was appointed by the provincial Department of Labor in November to assist in current negotiations for a new contract. AUCE's contract with UBC expired Sept. 30.

Negotiations between AUCE and UBC had been recessed until this week in anticipation of receiving the ruling of the federal Anti-Inflation Board on the settlement reached by the University and AUCE following a one-week strike by the union in December last year. The union received an increase that cost a total of 19.1 per cent.

The University's offer of this amount was made prior to the establishment of AIB guidelines and was in line with average increases being granted in B.C. at that time.

Also on Tuesday (Dec. 7), representatives of UBC and the Health Sciences Association, which represents 16 paramedical professional employees in the UBC Health Sciences Centre, met with arbitrator Hugh Ladner. UBC and the association have agreed to binding arbitration. This contract expired Dec. 31, 1975.

Mr. Waterston is also serving as mediator in negotiations between the University and the Office and Technical Employees Union, which represents 41 clerical and technical employees in the Department of Physical Plant. The OTEU contract expired March 31.

Negotiations are continuing with the Registered Nurses Association of B.C., which represents 58 nurses in the UBC Health Sciences Centre and the University Health Service. The association's agreement with UBC expired Dec. 31, 1975.

Negotiations will begin Thursday (Dec. 9) with the International Union of Operating Engineers, Local 882, representing 24 stationary and maintenance engineers.

The operating engineers current agreement expires on Dec. 31 this year. The union agreed to a new agreement last April for a salary increase of 8 per cent, which was approved by the AIB.

In October, the Canadian Union of Public Employees (CUPE), Local 116, and UBC ratified a contract that provided for a general wage increase of 7.5 per cent and a provision that guaranteed tradesmen 90 per cent of the hourly rate paid to tradesmen in the B.C. construction industry.

The current agreement with CUPE expires March 31, 1977.

## Professor emerita dies

A memorial service was held in Vancouver Saturday (Dec. 4) for Professor Emerita Mollie Cottingham, a well-known B.C. teacher and a member of UBC's Faculty of Education from 1958 until her retirement in 1971.

Miss Cottingham began her teaching career in B.C. schools in 1927 after graduating from UBC with the degree of bachelor of arts. She obtained her master of arts degree from UBC in 1947.

She taught in high schools in the Interior and in Vancouver until 1955, when she joined the staff of the Provincial Normal School, which was incorporated into UBC as the Faculty

of Education the following year.

In 1957-58 Miss Cottingham served as president of the B.C. Teachers' Federation, which honored her in 1967 with the Fergusson Memorial Award for outstanding service to the teaching profession.

Miss Cottingham was the BCTF representative on UBC's Senate from 1953 to 1958. At UBC she was active as a member of the Faculty Association and served on numerous University committees.

She was assistant director of the division of student teaching in the Faculty of Education from 1964 until her retirement.

## AUCC proceedings available

The Association of Universities and Colleges of Canada has published volume one of the proceedings of the association's annual meeting held in Regina in November.

Volume one is made up of papers presented at conference workshops under the general theme of "The Changing Conditions Within the Universities."

Workshop papers deal with such topics as graduate education, international aspects of university operations, evaluation of performances in the university, and continuing education.

Volume two of the proceedings should be available late in December. Copies of both volumes, at a total cost

of \$3, may be obtained from the AUCC Publications Office, 151 Slater St., Ottawa K1P 5N1.

## Nominees sought

Nominations are now being accepted for the Royal Bank Award, an annual award of \$50,000 to honor "a Canadian citizen or person domiciled in Canada whose outstanding achievement is of such importance that it is contributing to human welfare and the common good."

Brochures describing the award are available from Research Administration, Room 312, Old Auditorium. Nominations close Feb. 28, 1977.

# University submits position paper to

The University submitted a position paper to the provincially-appointed task force studying future development of the University Endowment Lands Tuesday.

The paper was presented by Vice-President C. J. Connaghan on behalf of President Douglas Kenny. It was based on a study of the UEL by an advisory committee chaired by Dr. Peter Larkin, dean of Graduate Studies. The committee included faculty members, students, staff and alumni, operating under the following terms of reference:

"To advise the president on the future development of the University Endowment Lands, keeping in mind the special nature of the Endowment Lands, keeping in mind the special nature of the Endowment Lands, their original purpose, their present use, as well as the future land and related requirements of the University of British Columbia."

The University position follows:

Since the early 1900s, when a portion of Point Grey was set aside as the University Endowment Lands by the provincial government, some confusion has existed in the minds of the public concerning the relationship between the University Endowment

Lands and the University of British Columbia.

The provincial government of that day saw the University Endowment Lands as a means of providing the University with a source of revenue, by endowment rather than through governmental estimates. It was the hope of the government that such a fiscal arrangement would provide a secure source of funding for the institution irrespective of the state of the provincial economy.

In actual fact, however, the University has derived no financial benefit from the Endowment Lands, and financial support for the University is provided by the province through the annual provincial budget.

Furthermore, it is recognized that the University Endowment Lands are a valuable recreation area owned by the Crown and as such, in the opinion of the University, should be made available to a more broadly based community than simply the University community.

It is therefore recommended that the province make a clear declaration that the University Endowment Lands are not to be developed for the financial endowment of the University of British Columbia, but rather are to

be managed for the benefit of all citizens of British Columbia.

Because of its proximity to the University Endowment Lands, the University of British Columbia has made extensive use of the lands in the past for teaching and research purposes.

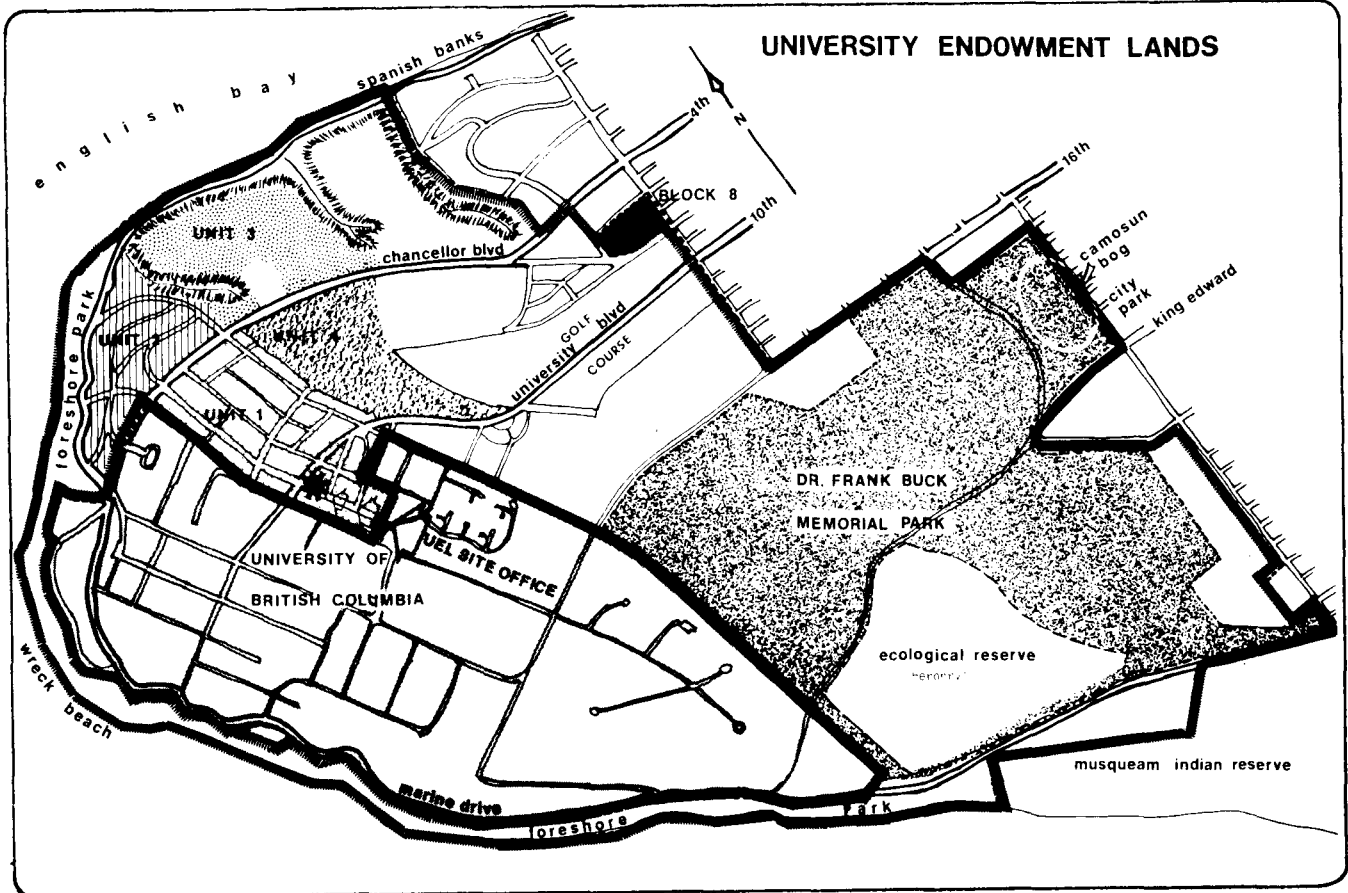
The continuing contribution of the area to the academic endeavors of the University is reflected in the large number of classroom and research programs conducted by members of the Faculty of Forestry and the Faculty of Agricultural Sciences, to mention just two faculties.

The lands are an important academic asset which would be destroyed should large-scale urbanization take place within them.

The University recommends that most of the University Endowment Lands be preserved as a natural park area, in a manner which provides appropriate recreational opportunity to the public and at the same time retains the lands as a teaching and research facility, and provides for agricultural, forestry and ecological demonstration areas.

This recommendation contemplates that the natural park will embrace:

(a) most of the existing Frank Buck



# task force studying future of UEL

- Memorial Park,
- (b) the foreshore area surrounding the UEL,
  - (c) the wooded area north of Chancellor Boulevard, and
  - (d) the triangular piece of property south of Marine Drive adjacent to the Musqueam Indian Reserve.

The residential area of the University Endowment Lands has historically been a source of housing for members of the University faculty, members of the University staff and students. The University would view with alarm any change in the traditional housing pattern which would penalize residents of the area who have limited financial resources.

While the University considers it inappropriate to comment on the future aspirations of the University Endowment Lands residents, it would support physical development of the area between 16th Avenue and Chancellor Boulevard, providing such development preserved the unique character of the area and maintained and enhanced the housing opportunities for members of the University community and others.

The administration of the University Endowment Lands is now the responsibility of the provincial government. The University is aware of the desire of some UEL residents for more autonomy in the administration of the lands and the establishment of some form of municipal governing structure.

The University believes the matter of administering the University Endowment Lands has two components: the administration of any future municipal structure of the residential area and the administration of the natural park.

As to the administration of the residential area, the University is keenly aware of the sensitivity of this topic. It is our opinion that it would not be appropriate for the University to have direct involvement in whatever structure may be developed for the day-to-day administration of the residential area.

However, the University believes that there would be mutual benefit to having formalized lines of communication between a University Endowment Lands residential governing body and the University of British Columbia. It would be the hope that such a mechanism would provide a means for expeditiously and harmoniously dealing with matters of mutual concern.

The natural park area should be administered by the Provincial Parks

Branch through a board of management which should include representatives of the Parks Branch, the University, the City of Vancouver, the Greater Vancouver Regional District and the residents of the Endowment Lands.

Bearing in mind that the University is vitally interested in the maintenance of the natural park for academic purposes, and that the University has substantial expertise to contribute to the management of the park, it is expected that the University would have strong representation on the board of management.

Even though not all the available land within the University boundaries has been given over to buildings, almost all of it has been appropriated for academic, academic-support and non-academic services. Indeed 974 acres of the government grant of 989 acres has been committed for use.

Apart from building sites, land has been set aside for playing fields, the development of the Botanical Gardens, agricultural field plots and animal care facilities, all of which are examples of academic land use.

Moreover, because of the need for students, staff and faculty members to commute daily from various parts of the Lower Mainland, it has become necessary to use part of the available land for parking lots, roadways and walkways.

A further matter for consideration is the future land requirement for student housing, in particular for students with children. The University is concerned that the land available at present will be insufficient to meet future demands.

Attention must also be paid to the needs of faculties for future expansion of their existing facilities. In particular, the Faculties of Forestry and Agricultural Sciences have requested additional land beyond the campus.

Both of these requests are predicated on the belief that their capacity to provide first rate teaching and research will be inhibited unless their decreasing land holdings within the University are replaced. In light of the importance of these two faculties to the provincial economy, their requests should be given high priority.

The University feels that a request by the Faculty of Forestry for an area to be used for demonstration and research, for which the prime motivation is public education, is compatible with the intended use of the natural park.

The Dean of Agricultural Sciences

suggests that between 150 and 250 acres be set aside for development of a farm for public education.

We believe that the campus is no larger than is necessary, especially in view of the future physical expansion necessary to meet the educational needs of the province. However, it is the University's belief that it would not be fulfilling its responsibilities if it did not record with the provincial government concern about meeting its future land needs.

It therefore recommends that the University land-holdings be increased by at least 300 acres at an appropriate future date, and in a manner which does not injure the concept of a natural park.

The University is enthusiastic about collaboration between industry, government and University researchers, and recognizes that a research park may be one means of accomplishing this objective.

The B.C. Research Council has studied this question and has recommended that such a facility be established. The Council has suggested that a minimum of 50 acres will be necessary, with eventual growth to 200 acres.

While the University is sympathetic to the establishment of a research park, it has concluded that the amount of land required for such a development could not be set aside from the available University acreage without seriously hampering the ongoing academic enterprise.

The University therefore recommends that land required for a research park be found outside the University boundaries. It also recommends that a full and thorough study be made of such a proposal before a final decision is made.

In conclusion, the University is aware of the unique features of the University Endowment Lands and recognizes the valuable contribution the lands have made over the years to the public and to students and faculty members by providing valuable field settings for study and research. The University is most anxious to maintain the lands for use by future generations.

The University recognizes it has a responsibility as an autonomous unit on the Point Grey Peninsula to co-operate with the government, municipalities, University Endowment Lands residents and the public at large to develop an appropriate long-range program for the Endowment Lands that will prove of benefit to all concerned. This it is prepared to do.

# NEXT WEEK AT UBC

Notices must reach Information Services, Main Mall North Admin. Bldg., by mail, by 5 p.m. Thursday of week preceding publication of notice.

## LOST AND FOUND

The campus Lost and Found is located in Room 208, Student Union Building. Hours are 11:30 a.m. to 1:30 p.m. and 3:00 to 4:00 p.m. Monday through Friday.

## MUSIC LIBRARY DISPLAY

Scores, recordings and literature pertinent to the English composer Havergal Brian (1876-1972) will be displayed in the Music Library, Music Building, until Jan. 15, 1977.

## CHRISTMAS BAKESHOP

UBC Food Services offers fruit cakes, mince tarts, shortbread, etc. for sale. Orders should be telephoned in advance to 228-3649 until Dec. 22.

## SUNDAY, DEC. 12

**3:00 p.m. CHRISTMAS CHOIR CONCERT** by the Vancouver School of Theology Sacred Music Choir, directed by John Mitchell, with **Music of Bach and Mozart**. Chapel of the Epiphany, 6050 Chancellor Blvd.

## MONDAY, DEC. 13

**12:30 p.m. CANCER RESEARCH SEMINAR.** Hulbert Silver, Cancer Control Agency of B.C., on **Current Status of Clinical Cancer Immunotherapy**. Library, Block B, Medical Sciences Building.

**4:30 p.m. CANCER CONTROL SEMINAR.** Dr. John L. Benedet, Obstetrics and Gynaecology, UBC, on **Role of Colposcopy in Pregnant Patient with Positive Cytology**. Second floor conference room, Cancer Control Agency of B.C., 2656 Heather St.

## TUESDAY, DEC. 14

**12:30 p.m. PHARMACEUTICAL SCIENCES LECTURE.** Dr. J. E. Orr, Bio Research Laboratories, on **Relations Between Drug Induced C.N.S. Effects and Plasma Levels of Diazepam in Man**. Lecture Hall 1, Woodward Instructional Resources Centre.

**4:30 p.m. PHYSIOLOGY LECTURE.** The first in a series of three lectures by Dr. Marc Colonnier, Laboratoire de Neurobiologie, Université Laval and visiting professor, Medical Research Council of Canada, on the visual cortex. **Considerations on the Six Layer Model of the Neocortex: Cytoarchitecture and Connections of Cells in the Different Laminae of the Visual Cortex of Cat and Monkey**. Lecture Hall 5, Woodward Instructional Resources Centre.

## WEDNESDAY, DEC. 15

**12:30 p.m. PHARMACOLOGY SEMINAR.** Dr. Ernest Puil, Pharmacology, UBC, on **Electro-Microparmacology of Neurons in the Central Nervous System: Aspects Relevant to Rational Design of Drugs Affecting GABAergic Systems**. Room 221, Block C, Medical Sciences Building.

**4:00 p.m. MICROBIOLOGY SEMINAR.** Dr. Austin Sargent, Faculty of Medicine, University of Saskatchewan on **Myeloma proteins and their interaction with lymphocyte membrane antigens**. Room 201, Wesbrook Building.

**4:30 p.m. PHYSIOLOGY LECTURE.** The second in a series of three by Dr. Marc Colonnier will be on **Intracortical Connectivity Patterns Underlying the Functional Columnar Organization of the Neocortex: A Study of Radial and Tangential Fibres in the Visual Cortex of Monkey**. Lecture Hall 5, Woodward Instructional Resources Centre.

**5:00 p.m. SURGERY LECTURE.** Dr. George S. Sheldon, Department of Surgery, University of California, San Francisco, on **Protein Sparing and Lipid Therapy**, B floor lecture hall, Faculty of Medicine Building, Vancouver General Hospital.

**8:00 p.m. SENATE MEETING.** Free tickets for interested members of the University community are available from Frances Medley, 228-2951. Board and Senate Room, Old Administration Building.

## THURSDAY, DEC. 16

**12:15 p.m. BIOMEDICAL COMMUNICATIONS** lunch hour media show. The second in this series is a six-part program on **Diabetes**. Room B8, Woodward Instructional Resources Centre.

**1:00 p.m. NORTHWEST COAST ARTISTS AND CRAFTSMEN.** Haida artist Gerry Marks discusses his work. Orientation Centre, Museum of Anthropology.

**4:30 p.m. PHYSIOLOGY LECTURE.** The last lecture in this series of three by Dr. Marc Colonnier is on **Electron Microscopic Studies of the Visual Cortex of Turtle, Cat and Monkey: Synaptic Contacts and Evidence for Two Types of Dendritic Spines**. Lecture Hall 5, Woodward Instructional Resources Centre.

**9:00 p.m. BEYOND THE MEMORY OF MAN.** C. Friedrichs, C. Stocker and R. Unger discuss **Reformation and Pilgrimage**. Channel 10, Vancouver Cablevision.

**10:30 p.m. UBC PUBLIC AFFAIRS** presented by the Centre for Continuing Education. This week's program is on **The End of Economic Control?** Host Gerald Savory. Channel 10, Vancouver Cablevision.

## FRIDAY, DEC. 17

**9:00 a.m. PEDIATRICS GRAND ROUND.** Dr. John Tze, Pediatrics, UBC, on **Prototype of Implantable Endocrine Pancreas**. Lecture Hall B, Heather Pavilion, Vancouver General Hospital.

**3:30 p.m. ECONOMICS SEMINAR.** Dr. Albert Rees, Princeton University and former director, U.S. Council on Wage and Price Stability, on **Wage and Price Stabilization**. Room 218, Buchanan Building.

**9:00 p.m. CHRISTMAS DANCE** hosted by International House and featuring the Trinidad Supertones Steelband. For more information, call 228-5021.

## MONDAY, DEC. 20

**12:30 p.m. CANCER RESEARCH SEMINAR.** Bruce Dunn, Cancer Research Centre, UBC, on **Correlation of Susceptibility to Cancer With Carcinogen Activation**. Library, Block B, Medical Sciences Building.

## THURSDAY, DEC. 23

**12:15 p.m. BIOMEDICAL COMMUNICATIONS** lunch hour media show. The third in this series will feature a tour of the Woodward Instructional Resources Centre. Room B8, Woodward Instructional Resources Centre.

## DEC. 24, 25, 26, 27

University closed. Merry Christmas!

## JAN. 1, 2, 3

University closed. Happy New Year!

## THURSDAY, JAN. 6

**12:15 p.m. BIOMEDICAL COMMUNICATIONS** lunch hour media show. The fourth in this series will be on **Scoliosis**. Room B8, Woodward Instructional Resources Centre.

## FRIDAY, JAN. 7

**9:00 a.m. PEDIATRICS GRAND ROUND.** Dr. Derek Applegarth, Pediatrics, UBC, on **Hurter Syndrome, 1977**. Lecture Hall B, Heather Pavilion, Vancouver General Hospital.