Student Loans can't be released through bankruptcy

BY JEN HORSEY

TORONTO (CUP) Recent changes to legislation have added student loans to a short list of debts not released through bankruptcy

Students declaring bankruptcy within two years completing discontinuing their studies will no longer be released from paying back their student loan debt unless they can successfully prove to the courts that special circumstances apply in their

NDP federal youth critic Libby Davies says she thinks it is outrageous that the government is singling out students for this special treatment, adding that this measure disregards the underlying problem of increasing student debt.

"I think it is totally discriminatory by singling students out and saying, 'You're not allowed to do this," she said.

Naomi Ridout, senior policy analyst for the Canada Student Loans Program, says she supports the changes. She says she doesn't think students should have to resort to bankruptcy to take care of their student loans.

According to Ridout, measures such as the six-month grace period after a student leaves school when they are not required to make payments on their loan, and the further 30 month period of interest relief address the problems students have with their student loan

"We have protected students from the need to default on their loans," she said

Ridout says she is concerned that students are declaring bankruptcy without considering other options, and she says the problem is that information about the loan program's flexibility is not getting out to students, or the private lending institutions who administer the

But Jessica Yateman says she felt she had no choice but to default on her student loan, and she did so one week before the changes came into effect.

She was in school for two years, didn't have a degree, and had accumulated a debt of nearly \$23,000. Her job conducting market research studies didn't pay enough to cover her \$300 monthly student loan payment and her future didn't look much better.

"I'm so young, I want something to look forward to," Yateman said, adding that over

the next eight or nine years, her student loan payments would likely have prohibited her from investing in an RRSP, a car or a

Over the next nine months, her assets will be controlled by a trustee. At the end of nine months, she will be released from bankruptcy and has a chance to start over - almost.

For the next seven years a record of her bankruptcy will mar her credit history, making

it difficult to attain any credit.

Although the government figures show that 80 per cent of students pay their loans off on time and in full, student bankruptcies have almost tripled since 1993, rising to 12,000 in 1996 from 4,500.

The high number of student bankruptcies are a sign student debt is rising out of control says Randy Miller, vice-president external of the Memorial Uni- turns around and instead of atversity of Newfoundland stu- tacking the issue...they go the

in negotiating repayment for bigger

loans," Lavigne said. "We're

interested in negotiating reduction

some debt reduction measures in its

document, mostly through targeted

grants and scholarships or changes

to the income tax system. The

alliance, for example, wants the

Liberals to provide grants of up to

\$2,000 for first-year students and

up to \$1,000 through the recently

announced \$1-billion millennium

scholarship fund. It also wants to

see a \$3,000 grant made available

to married and single student-

parents with dependents and the

The alliance did put forward

in the size of loans."

"I don't know when they are going to realize students cannot pay off \$45,000 debts," he said. They can't do it."

"Progressive thinking would say, 'Gee all these students are declaring bankruptcy. It can't be just because they don't want to pay off their loans. It must be because they can't pay it off," he said. "So government

other way and say they're criminals."

Other debts which cannot be cleared by bankruptcy include fines imposed by courts, money owed for things stolen and alimony or maintenance payments.

With files from the Muse and the

Gazette

CASA criticized for lack of new ideas

BY DAVID COCHRANE

OTTAWA (CUP) - A national student lobby group has released a document proposing sweeping changes to the Canada Student Loan Program it says will be more sensitive to graduate income levels.

But a rival student group says the Canadian Alliance of Student Associations (CASA) is trying to pass off other people's ideas as its

The Alliance released its Real Solutions document November 12, the centrepiece of which is the CASA Income-Based Remission Program. The alliance says its 15year "income sensitive" repayment scheme, which is broken into two phases, will eliminate student loan defaults.

The federal government reports that 25 per cent of all student loans currently go into default.

Under the plan, interest payments on student loans for the first five years after graduation will be subsidized by the federal government so graduates aren't forced to default if loan payments exceed ability to pay. Students will be re-assessed annually to see if they qualify for further assistance.

During the final 10 years of the plan, the federal government will help low-income graduates pay off the loan principal as well as interest. Any money not paid back after 15 years will be forgiven by the federal government.

"It is intended to eliminate defaults and is intended not to require a great deal of an increase in support from the federal government," said Hoops Harrison, the alliance's national director.

Whatever the intent, the Canadian Federation of Students (CFS) wants no part of CASA's plan. Brad Lavigne, national chairperson of the more activist federation, called the CASA document "useless" and said the repayment plan does nothing to address rising student debt levels, which currently average \$25,000 for students who borrow.

"[The federation] isn't interested

interest on student loans tax deductible.

The alliance also called for the freezing of tuition fees and the creation of a national education act in its document.

But Lavigne says none of these ideas are original. Most, he says, have been proposed in the past by the federation. A federation policy document from May of last year makes mention of both the tuition freeze and a national education

And the idea for the \$3,000 grant for students with dependents was put forward previously by the federation to the House of

Commons Finance Committee in October 1996, and it has in turn been proposed by the federal government. The CASA grant recommendation echoes these prior proposals - to the exact dollar amount.

"Next thing they're going to recommend the capital of Canada should be in Ottawa," Lavigne said.

Harrison admits there is a strong similarity between the alliance's proposals and those already presented by other lobby groups and various levels of government. But he says CASA's proposals only look so familiar because the government and others have been listening when the alliance speaks.

Drag pageant sparks furore at Trent campus

BY KATE ARCHIBALD-**CROSS**

PETERBOROUGH (CUP) - Comments made at a drag show pageant are causing an uproar at Trent University.

The comments were made at the Miss Harvest Weekend Pageant, part of Trent's Fall College Weekend, hosted by the university's Champlain College. The event took place earlier this

The annual pageant is a drag show where men dress up as women to compete for the title of Miss Harvest Weekend. Each contestant, or group of contestants, writes a biography that is read aloud.

This year, a group of contestants stated in their biography that one of their pet peeves was "men who don't understand that no means yes, yes, yes."

Another contestant stated in his introduction that Zack Hanson, age 11, from the band Hanson, could "beat [his] drum anytime"

And at the beginning of the pageant, the master of ceremonies told the audience that the contestants had been drinking and had "lost their inhibitions and [were] horny

The event has sparked an angry response from both students and administrators at

"Joking about sexual assault is not funny [and] joking about child abuse is definitely not funny," said Theresa McDonald, a student who attended the event.

Concerns have also been expressed that the pageant made a mockery of drag shows and demonstrated a lack of understanding about queer culture.

David Smith, acting president of Trent University, says the activities at the pageant were thoroughly unacceptable.

"[I]t is in the very nature of the university that there should be respect...for all members of the 'university [and these] events are not consistent with that.'

Martin Boyne, acting master of the college, says the comments were inexcusable and he plans to take some form of action.

Dan Gunn and Alex Thompson, co-chairs of the fall festival, defended the pageant in a written response to the student newspaper of Trent University, the Arthur.

"The intent of the [pageant] is to satirize sexual stereotypes and beauty pageants by placing it on a stage and holding it up for ridicule. It is not to endorse the obviously unacceptable.

"At the time we found [the comments] humorous; however, when taken out of context, we can see how it would be offensive. Perhaps we gave university students too much credit, but we assumed they understood this was intended as humour, just as the organizers of this event assumed for the last 10 years."

Andrea Norquay, coordinator of the Trent Women's Centre, says the women she has spoken with since the event have expressed anger, disgust and a general feeling of discomfort. She adds that people must not lose sight of the fact that the Miss Harvest Weekend Pageant took place within a broader context and that problems like sexism are present on a larger level.

Graffiti personally targeting Thompson and Gunn for their role in the pageant has appeared on the Trent campus and has also been condemned.

"It seems to us that the same people who wave around policies on human rights and harassment as inherent protection for the community feel threatening and harassing us is acceptable. It illustrates the massive hypocrisy of special interest groups at Trent...Our involvement in the actual pageant was to solicit participants and then run the sound and lights, we did not read or write the biographies of the contestants," wrote Gunn and Thompson.

Marijke Edmonson, president of the Trent student union, says she worries that the personal nature of the graffiti blurs the debate and could allow people involved to "portray themselves as martyrs."

"[People] never have the right to incite violence against another person," Smith said. "It's very dangerous...[and] it's assigning responsibility to two people and the responsibility is far broader."

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