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Where do DAGS dollars go?

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Sports Scene: Women's and Men's soccer

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New cheerleaders' uniform turns heads. "Now if only I could find the football team."

DAL PHOTO

Student loans: the high cost of borrowing

by Jennifer Stephenson

Go now, pay later—if you can.

You wouldn't have to pay back your student loan if you couldn't afford to under the "income contingent" loan repayment plan proposed by Stuart Smith last Fall of 1991 for the Association of Universities and Colleges of Canada.

But that would do nothing to make education more accessible to the public, says the Canadian Federation of Students (CFS) in *its August 1992 report, A Critical Analysis of Income Contingent Loan Repayment Plans*.

The current Canada Student Loans Plan is targeted for restructuring due to government cutbacks. The Federal Gov't presently (ie. taxpayers) pays the interest on student loans while the student is still in school. They also pay back the loans if the student defaults after graduation.

The Student's Union of Nova Scotia (SUNS) is approaching the idea of an income contingent plan with caution. Sue Drapeau, SUNS Executive Officer, says it is a good idea as long as it doesn't have any strings attached.

"It comes as a package. Income contingent loan repayment comes hand - in hand - with increasing tuition fees, and a lot of people recommend that loans should be interest bearing and indexed to inflation."

"So you could start out with a loan of $3,000 and by the time you graduate and actually have to start paying it back, you're now paying back $6,500 or $7,000 depending on how inflation is running and what interest rates are like. That could be disastrous."

SUNS will be coming out with a formal policy on income contingency in October.

The income contingent loan plan is part of a bigger scheme to make universities and colleges more self-sufficient in their funding, and hence more accountable to their students for the quality of education they provide. Self-sufficiency means increased tuition fees, and the income contingent plan is seen as a way to help the student pay for these increases.

Under an income contingent plan, repayment would depend on a student's income level after graduation. Under a certain income threshold, repayment would not be required. Above it, anywhere between 2% and 10% of income would be collected each year by Revenue Canada as a surtax on federal income tax.

CFS is against this idea. They believes that society as a whole is the beneficiary of higher education, and therefore should pay for it, and not the individual. Because it views education as a right and not a privilege, CFS is fighting for tuition fees to be eliminated altogether.

CFS wants grants to be available on a national basis to help students with living costs and the cost of books. CFS research shows that grants are the most effective financial incentive to encourage students who otherwise would not go to post-secondary education.

Also, CFS is lobbying for changes to the tax system.

Personal income tax should to be more progressive, says the CFS. As it presently stands, everyone with a taxable income of $55,000 or more falls into the same 29% tax bracket.

Corporations should carry more of the tax burden. In 1989, individuals paid 88.1% of all income tax and corporations paid only 11.9%. In 1950, corporations and individuals each paid about half the income tax collected in Canada.

Judi Beaver, who works with Canada Student Loans at the Royal Bank, doesn't think the income loan repayment plan would make a big

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