

Critics say federal policy on student bankruptcy ill-informed

BY DAVID-JAMES FERNANDES

TORONTO (CUP) — While the federal government cracks down on the rising number of students who are turning to bankruptcy as a last-ditch solution to their financial woes, critics say the real issues behind the bankruptcies are being ignored.

Bill C-5, passed in the House of Commons on Oct. 23, changes federal laws so that students declaring bankruptcy within two years of completing or

discontinuing their studies will no longer be released from paying back their student loan debt unless they successfully prove to the courts that special circumstances apply in their case.

Svend Robinson, NDP critic for postsecondary education, calls the changes appalling and cites massive federal spending cuts as a major factor in the increase of student bankruptcies.

"It's [the government's] bankrupt policies, their massive cuts

in federal transfer payments to the provinces for postsecondary education that have driven up tuition fees and increased the debt burden that students are facing," he said.

"And instead of responding to those concerns by strengthening student aid, particularly a national grants plan, or by moving to create jobs, they're simply cracking down and punishing students. It's an appalling policy."

Moriss Bodnar, Liberal MP

for Saskatoon-Dundurn, the member who introduced the legislation, says the changes are meant to deter students from using bankruptcy as an easy way out of paying back their loans.

"Our statistics show that 70 per cent of students who claim bankruptcy are doing so within the first two years of graduation. Under the student loans program, students have a six month moratorium on which they do not have to pay back their student loans. They

may also have this period extended to a total of two years. They are claiming bankruptcy during a period when there is no financial pressure for them to do so."

The committee, which directed the formation of C-5, represented consumers, business, lenders, insolvency practitioners, and governments.

Over its three year course, it heard from more than 100 private sector insolvency experts but virtually no students.

Alternative budget would set unemployment targets

BY STU CLARK

TORONTO (CUP) — As Canada's Finance Minister, John Loxley would focus on creating employment instead of slashing the deficit. Of course, Loxley isn't Finance Minister — he's an economics professor at the University of Manitoba.

But that won't stop him from putting together a budget for the federal government — a budget he says will prove governments can create employment.

"Unemployment is the number one problem facing Canadians and we are going to address it head on," said Loxley, who is coordinating this year's alternative federal budget.

The alternative budget is an annual event started three years ago by a coalition of social justice groups to prove it is possible to reduce the deficit without slashing social programs.

The first two alternative budgets focused on the negative effects an "unfair" tax system and high interest rates were having on the economy. The budgets proposed lower interest rates which would make it easier to pay off the deficit and create employment.

While interest rates have dropped to a 40-year low, the national unemployment rate remains near 10 per cent. Loxley says this year's alternative budget will address that problem by putting more of an emphasis on unemployment — something he says the government has neglected to do.

"When the Bank of Canada released its latest report [in mid-November], unemployment was not even mentioned," said Loxley, adding that the real federal budget won't set targets for reducing unemployment but will set targets for cutting spending and the deficit.

His budget will set a target unemployment level of 6 per cent by 2000 by creating 400,000 new jobs a year for three years.

Governments are not taking responsibility for an unemployment problem they helped create,

Loxley says, referring to a Statistics Canada report that shows the country's various levels of government have eliminated over 50,000 jobs since the start of the year.

Loxley blames downsizing of the public services for Canada's slow economy.

"People don't spend money if they are worried about losing their jobs," he said. "It does no good to reduce interest rates if, at the same time, people lose confidence in the economy."

As well as stopping the cuts to the public services, the budget will call for the regulation of overtime hours, the creation of national job sharing programs, and funding for an employment creation program aimed at youth.

Bruce Campbell, the executive director of the Canadian Centre for Policy Alternatives, says this year's alternative budget challenges the doom and gloom message of government.

"We want to change from the economics of despair to the economics of hope," said Campbell, whose organization plays a major role in drafting the alternative budget.

Campbell says he wants to show people they don't have to accept globalization, smaller governments and spending cuts as a fact of life.

As in past years, the budget will aim to cut the deficit but Loxley doesn't know how high a priority that will be. The first alternative budget promised to cut the deficit by almost \$2 billion more than Finance Minister Paul Martin's real budget did over two years.

Currently the budget steering committee is busy crunching numbers in order to have everything done in time for the budget's release in early February.

Loxley is also travelling the country putting on "budget schools" to educate people on how the alternative budget is put together, and what options exist as opposed to the government's current fiscal and monetary policies.

He says education is a major part of making the budget a success.

"We have to get our message out," he said. "More and more people hear about our budget every year, and people who hear about it like it."

Ultimately, says Loxley, everyone involved in the process would like to see some of

the major political parties adopt the budget as a campaign platform.

"The Bloc [Quebecois] is always open to our ideas, and we would love to see the NDP adopt our budget, but I'm not overly optimistic."

Pitching it for the CBC

BY CRAIG SAUNDERS

VICTORIA (CUP) — Liberal MP David Anderson is beginning to see red.

In mid-November, the Friends of Canadian Broadcasting came to Victoria to kick off a lawn sign campaign aimed at saving the CBC. In the weeks to come, the group will erect over 1,000 bright red and white lawn signs in Anderson's riding.

The signs scream "The CBC Promise. KEEP IT." The Friends want the Liberals to stop cutting funding for Canada's public broadcasting service. Similar sign campaigns are underway in other Canadian cities.

Since the mid-1980s, government cutbacks have reduced the CBC's employment figures to half their 1985 levels.

"At least Preston Manning was honest," said Friends' spokesperson Ian Morrison. "During the 1993 election campaign, Reform promised to cut \$350 million from the CBC. While promising something else, the Liberals have actually out-reformed Reform."

Morrison was referring to the Liberals' claims, published

in their Red Book of campaign promises, to maintain CBC's funding. Budgeted cuts to the CBC's funding since the 1993 federal election total about \$400 million.

According to a COMPAS poll conducted this summer, 61 per cent of Canadians support maintaining CBC's current funding levels. Another 20 per cent said they wanted CBC funding increased. Only 16 per cent said they support further cuts.

Judith MacDowell is one Victorian fighting to keep the CBC's funding intact. She has worked for years to get a CBC radio station in Victoria, and is the president of the West Coast Media Society.

"People get driven to the wall," she said. "They value the CBC. They look around and say, 'Where are the politicians who will give us what we want?'"

The Friends predict that further cuts will hinder the CBC's ability to provide quality programming. Further cuts could lead to the closure of news bureaus in Saskatchewan and New Brunswick and chopping shows like Rita MacNeil and Friends, Man Alive, Undercurrents and The Health Show.

Nostradamus' 1997 Predictions

(Courtesy of the Weekly World News)
by John Crane

From the diaries of Nostradamus, ancient predictions for the year 1997, A.D.:

- Ghosts of the world's religious leaders — including Martin Luther, Brigham Young, Moses and Buddha — return to Earth to preach and prepare us for the end of the world. The apparitions will be seen and heard by billions.
- Three brothers from America's West Coast will be chosen by God to build a modern-day Noah's Ark and assemble the animals selected by the Lord to ride out a flood that will sweep large portions of the planet next fall. Oddly enough, everyone and everything on Earth will make it through the disaster alive, except for the people and the animals on the ark — which will vanish into thin air.
- Dogs and cats will speak to their masters and fish will walk on land in the final days before the year ends.
- The barrier separating the living and the dead will crumble, allowing people to visit with their departed loved ones.
- This summer the moon will spin out of orbit and plummet towards the Earth, stopping just short of a collision, but bathing the planet in a wondrous golden light.
- Beautiful music with no apparent source will mysteriously flood the world, inspiring the devout to spiritual glory — but driving the evil to madness.
- A roving "death star" will rocket out of deep space and head straight toward the earth, threatening to obliterate the planet. The incident will cause world panic, and many religious conversions, before the star veers off its collision course at the last minute.