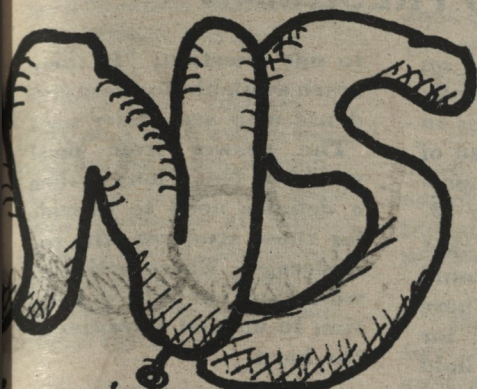


the debtor generation

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Press



ginning to discourage students from finishing post-secondary programs. "many students start, but they don't finish (because) they don't want to assume the financial burdens," Moran says. Simon Fraser University administrators two years ago found that of accepted students who didn't show up, many say financial reasons guided their decision to not attend school.

While students have complained in recent years that governments have been ignoring their concerns, government indifference may be on the wane. At an early February meeting in Toronto, the Council of Ministers of Education, Canada (CMEC), a non-legislative body representing all provinces and territories, struck a consultative committee on student aid. While there is no student representation on the committee, government officials say various student aid issues are being taken seriously.

Mary Meloshe, director of the Secretary of State's student aid division, says both levels of government are "concerned" about problems in student aid problems.

"I think we have all viewed student aid as a priority. Both levels have a role to play," Meloshe says. "Debt

load is certainly an issue all levels of government are concerned with."

Also, the standing Parliamentary committee on Secretary of State, with representation from all three political parties, has been reviewing the Canada Student Loans Program, and hearing submissions from interested parties.

One of the probable reasons that governments have for reviewing the student aid system is a default rate that has been increasing as quickly as debt loads. Last year, according to Canada Student Loan officials, about 25,000 people defaulted on paying their federal government loans, twice as many as in 1982. The default rate for provincial programs has also been increasing steeply, costing governments heavily in unpaid loans.

Karen Takenaka, an awards officer at Ryerson Polytechnical in Toronto, said the default rate hasn't been increasing because of student negligence. "You'll always have a hard core of people that just will not pay back their loans. My feeling is that most students do want to pay back their loans, but they can't," Takenaka said.

Takenaka represents the Canadian Association of Fi-

nancial Administrators, who are as concerned as student leaders about jumping debt loads. Takenaka said the association, in recent meetings with federal officials, called on the Mulroney government to find solutions to the debt loan problem.

Among the association's suggestions is an extension of the Canada Student Loans payment schedule, which currently requires students to pay back their loans by nine and one-half years after graduation. "That was set 20 years ago. Things have changed considerably since then. It doesn't serve our (situation) at all," Takenaka said, adding fewer students would likely default on their loans if there were a more comfortable repayment scheme.

The association also recommends the federal government set a guaranteed interest rate for student loan repayments. Students currently do not know what the interest rate will be until their loans are consolidated upon graduation, and are prey to market changes.

CFS researcher Wright agrees. "It would be so much better if there was a rate of interest set at the beginning, so at least you knew what to expect when you finish."

Student leaders and financial administrators alike say more information should be given to incoming students, to help avoid massive debt accumulations.

"Students right now go in blind," says Wright. "I'm sure many people would prefer to make other arrangements if they knew debt loads and interest payments are going to be so high."

Takenaka says many new students aren't aware of the implications of taking out loans for each year of study. "I think many students don't have any idea of what their getting themselves into."

Services such as student aid counselling are desirable, say Wright and Takenaka, but are unlikely to be funded in these times of fiscal restraint. "It's an excellent idea, but who's going to do it? Who's going to pay for it? The problem is one of economics," says Takenaka.

"It's necessary that information about student loans

be spread, but people would see such a service as a frill, while other things are being cut back," says Wright.

Opposition parties on Parliament Hill are also campaigning for student aid changes. New Democrat post-secondary critic Lynn McDonald has picked student aid problems as her most important priority, while newly-appointed Liberal critic Bill Rompkey has "an open mind" about the student aid issue.

"What I do know is that what we have now is not working," Rompkey says. The Liberal party, which the Conservative government has blamed for instituting many of the policies affecting post-secondary education, is now reviewing its own position on student aid.

"I don't know what the specifics will be," Rompkey says, "but the current feeling is more grants than loans. We have one underlying assumption that this is an investment. We should be bending over backwards to help students, (and) instead we're hurting them."

McDonald says the NDP favors measures to eradicate student debt loads, including a national non-repayable bursary program. McDonald is also working on solving "fairly common problems" students face with the Canada Student Program, including payment schedules for under-employed graduates, and regulations for single mothers.

Cynthia Callard, one of McDonald's assistants, says the most common problem apparently involves students who forget to notify student aid officials that they're still students, and are subsequently expected to begin payments on their loans.

Even with a warmer climate toward reviewing student aid in Canada, it will likely be some time before governments introduce solid improvements towards relieving mounting debt loads. Student leaders, though encouraged by recent government announcements, aren't holding their breaths for overnight success.