

## Tobacco sponsorship cut over the next five years

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David Dingwell, former Federal Minister of Health, commented as he gave a second reading of the Tobacco Act amendments to the House in December of 1996.

"Through association with people, objects, events and ideas, [tobacco] promotion creates a brand identity or image that influences and shapes the attitudes and beliefs and behaviours of consumers and potential consumers," he said.

However, reaction is not completely in favour of these proposals and approaching legislation.

"You can't really look at it from one point of view; there's a good side and a bad side to it," one second year Arts student commented.

*News Ed. Note: Next week, the focus will be on the more negative reaction surrounding this issue, as well as a deeper look at how these changes might affect Prince Edward Island -- and UPEI.*

Two web pages to inspect for more information:

Health Canada: <http://www.hc-sc.gc.ca/ehp/ehd/tobacco/legislat/index.htm>

No Patsy - (an anti-tobacco page): <http://www.healthwatch.org/tobaccowars.html>

## Student better at paying back loans than corporation, figures show

BY ALEX BUSTOS

OTTAWA (CUP) -- Students are more likely to repay government loans than some of Canada's leading corporations, government figures show.

This past spring, the Canadian Taxpayers Federation, a conservative lobby group, released a study examining Industry Canada grants and loans between April 1982 and October 1997.

The study based on ministry figures the group obtained through an Access to Information request reveal that during this period Industry Canada dished out \$3.2 billion in repayable and conditionally-repayable contributions to businesses.

According to the group's report, only 15 per cent of all these loans have been repaid.

In contrast, the latest federal government figures reveal that 80 per cent of students pay back their Canada Student Loans without incident, while 13 per cent repay their loans after defaulting at least once.

They site recent changes to the Bankruptcy and Insolvency Act intended to combat student loan defaults as an example of the Liberals' new tough approach. The revamped legislation prohibits students who declare bankruptcy from discharging their loans for the first 10 years after leaving school.

But government officials say comparing Canada Student Loans to Industry Canada loans is problematic. And the Canadian Taxpayers Federation report is flawed on several grounds, says John Banigan, an assistant deputy minister at Industry Canada.

The study also focuses on problems that have already been solved, he added. Most of the money outlined in the report came from the now defunct Defense Industry Productivity Program, which was replaced in 1996 by the Technology Partnerships Canada program.

## Students denied bankruptcy protection for 10 years

BY MELISSA DOUCETTE

Eight thousand students declare bankruptcy every year, most of whom are under 30 years of age.

Soaring tuition, chronically high youth unemployment, and cuts to education all point to an increase in this number.

Or do they?

Recent changes to the Bankruptcy Insolvency Act (BIA) came into effect on June 18, 1998. Now, students are prohibited from discharging student loan debts for a period of ten years after leaving their studies.

Unlike most motions, this amendment was not brought up separately and given three readings and debates.

Instead, it was buried in the Federal Budget -- the "education" budget -- recently tabled in February 1998. This amendment only applies to student loans, and all other personal debt remains untouched.

The benefit of this change has been questioned by many community and student groups, including the Canadian Federation of Students (CFS). They claim that bankruptcy is a last resort procedure, and not one that is taken lightly.

Bankruptcy is costly (minimum of \$1600), takes at least nine months to process, and is not confidential.

People who have the financial means to pay creditors are legally obligated to do so, making bankruptcy available only to those in dire financial straits. Those filing for bankruptcy are subject to several conditions, including notifying all creditors, selling all assets to aid in debt repayment, and assigning a trustee to control all assets.

In addition, a record of

bankruptcy is kept by credit bureaus for six years for the first offence, and permanently if filed for more than once.

Under the new BIA, students filing for bankruptcy can only receive it for debts accrued outside of student loans. Any portion of the student loan debt left after ten years that cannot be met may require a second application for bankruptcy, giving the student a permanently bad credit rating.

Through this new legislation, the government intends to cut down on what it considers to be a high default level of student loans.

"Changes were . . . made to the bankruptcy laws, so that the comparatively high level of claims because of defaulted student loans would be reduced," stated Pierre Pettigrew, Minister of Human

Resources, in his August 24 letter to *The Guardian*.

In conjunction with this goal of reducing default rates, the Federal government is also imposing accessibility restrictions to student loans.

As of August 1, 1999, students can be denied a student loan if they are 22 years of age or older. Missing any loan payment (ninety or more days) three years prior to applying for a student loan is also grounds for denial.

These last restrictions are intended to prevent potential defaulters from obtaining student loans. However, Human Resources Development Canada does acknowledge that student loan default rates do not reflect loan delinquencies of students in a public post-secondary institution.

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