

# Opposition grows to bankruptcy legislation

BY MELISSA DOUCETTE

A Charter Challenge against recent changes to bankruptcy legislation has been launched by the Canadian Federation of Students (CFS).

The new legislation prohibits students from declaring bankruptcy for a period of ten years.

Although the CFS continues to lobby Members of Parliament strongly against the changes, they are already in effect.

The CFS Week of Action, October 13-16, will be an opportunity to demonstrate against the bankruptcy legislation.

CFS officials are confident they have a strong legal case in the Charter Challenge they are pursuing.

The Canadian Charter of Rights and Freedoms does not make provisions for generic group discrimination, but according to Article 15 (1), discrimination on the basis of age is prohibited.

Since 75 percent of all students who declare bankruptcy are under the age of 30,

the CFS is using Article 15 (1) as its legal foundation.

The CFS is not alone in condemning the new legislation.

Several community groups and government officials have also raised strong objections to the changes.

Libby Davies, NDP MP for Vancouver-East, is introducing a Private Member's Bill this Fall to amend the Bankruptcy Insolvency Act (BIA) as it relates to student loans.

In a letter dated August 14, she condemns the current restrictions.

"[The legislation is] catering to the banking lobby which benefits from the profits generated from interest accumulated on long-term student debt," she writes.

Many lawyers who administer bankruptcy procedures are also unhappy with the ten year waiting period.

"The [change] seems draconian and punitive since it will punish our poorest and most powerless citizens," adds Earl Sands, Trustee in Bank-

ruptcy, in a brief submitted to the Minister of Finance.

But Walter MacKinnon, Prince Edward Island Trustee in Bankruptcy, is less harsh.

He cites "massive numbers" of students declaring bankruptcy as the catalyst for the ten year amendment, but admitted that he had no access to related statistics.

Approximately 8,000 students declare bankruptcy each year, out of over 1.2 million students enrolled in post-secondary education in Canada.

Still, MacKinnon did think that ten years was too long of a deferral period.

Robert Maddix, Liberal Education Critic and MLA for Evangeline-Miscouche, is less forgiving.

He calls the legislation "very unfair . . . and very unreasonable," saying that the government needs to work with students that have high debt loads.

According to Maddix, students should have the same opportunity given to businesses, which have no time restrictions on declaring bankruptcy.

"Students need the same kinds of rights. . . . Everybody should be treated fairly," declares Maddix.

He also claims that he is in "total disagreement" with the proposed restrictions on student loans, which he calls "ridiculous."

These limitations could see students denied loans if they are 22 years or older, or if they have had prior loan repayment difficulties.

The changes to the BIA were made without consultation with the provinces, according to one civil servant in the Education department.

*Note: Although all four Prince Edward Island MP's were contacted for comment, none responded to discuss the issue.*

## Canadian Charter of Rights and Freedom

### Equality Rights

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