



House of Commons Debates

VOLUME 133

NUMBER 070

1st SESSION

35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, May 24, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, May 24, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[English]

PUBLIC SERVICE EMPLOYMENT ACT

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister): Madam Speaker, pursuant to section 47(1) of the Public Service Employment Act, I have the honour to table today, in both official languages, the second annual report to the Prime Minister on the state of the Public Service of Canada.

This document should be referred to the Standing Committee on Government Operations.

* * *

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to a number of petitions.

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[English]

REMEMBRANCE DAY ACT

Mr. Ron MacDonald (Dartmouth) moved for leave to introduce Bill C-251, an act to provide that Remembrance Day be included as a holiday in public service collective agreements.

He said: Madam Speaker, it gives me great pleasure in this new Parliament to introduce this private member's bill. I introduced the same bill in the last Parliament and we almost got it through. It passed second reading but unfortunately had some difficulty in committee. It enjoyed all party support to some degree.

The bill seeks to ensure that Remembrance Day is kept as a statutory holiday under the Public Service Staff Relations Act. It does not in any way try to extend the bill into any of the collective agreements that come under the Canada Labour Code. It reaffirms that Remembrance Day is a holiday, it is a special day of remembrance and it should not be traded away in collective agreements.

The original intention two years ago in introducing a similar bill was because there had been some negotiations in the public sector in which both government and the unions put Remembrance Day as a holiday on the table. We were told at that time that Remembrance Day could have been traded as a holiday, say in lieu of an extra day after Boxing Day.

Remembrance Day truly is not a holiday but a day to remember those who have made the supreme sacrifice so that we and others could be free. This bill seeks to regularize, statutize and ensure that all agreements entered into under the Public Service Staff Relations Act could not make it a tradable holiday. It would have to take place and it would have to be observed on the date, November 11.

(Motion deemed adopted, bill read the first time and printed.)

* * *

(1010)

[Translation]

QUESTIONS ON THE ORDER PAPER

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Madam Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall all questions stand?

Some hon. members: Agreed.

Mr. Robichaud: Madam Speaker, I would simply like to ask the House if there would be unanimous consent to revert to the presentation of reports by standing and special committees to give the hon. member for La Prairie the opportunity to present the report of the Standing Committee on Public Accounts.

The Acting Speaker (Mrs. Maheu): Does the hon. parliamentary secretary have the unanimous consent of the House?

Some hon. members: Agreed.

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COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie): Madam Speaker, I have the honour to present this morning the second and third reports of the Standing Committee on Public Accounts.

In its second report, the committee examined the estimates of the Auditor General's office for the 1994–1995 fiscal year. Committee members heard testimony from the Auditor General concerning the role of his office and the funds allocated to it for the purpose of carrying out its mandate. The committee is confident that the Auditor General's office has sufficient resources to carry out its mandate during the current fiscal year.

With respect to employment equity, women account for 17.7 per cent of the employees in the management category within the AG's office, whereas the goal at the outset was to achieve a 15-per-cent representation. Therefore, the objective set has been surpassed.

As a result of sound management and an improvement in productivity, the AG's office has successfully reduced its expenditures for 1994–1995 by 6.3 per cent. You will agree that it has set an example for other government departments and agencies to follow in endeavouring to provide cost-effective services to Canadians.

The committee also examined and reported on vote 30 under the heading Finance in the Main Estimates for the fiscal year ending March 31, 1995.

GOVERNMENT ORDERS

[*English*]

CANADA STUDENT FINANCIAL ASSISTANCE ACT

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification) moved that Bill C-28, an act respecting the making of loans and the provision of other forms of financial assistance to students, to amend and provide for the repeal of the Canada Student Loans Act, and to amend one other act in consequence thereof, be read the second time and referred to a committee.

He said: Madam Speaker, may I ask for the indulgence of the House for a moment? I would like to provide a special welcome in our galleries to the grades 3 and 4 class of Hopewell school with which I have a family connection. It is very nice to have them here.

Some hon. members: Hear, hear.

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, it is appropriate that I am here to introduce the bill on education

and student loans at a time when we have such a youthful audience in our gallery.

[*Translation*]

Madam Speaker, it is a great privilege for me to speak today on the reform of the student loans program.

As you know, we were elected to create jobs, help the economic recovery and give young Canadians hope again. That is why I announced a youth employment and training strategy a few weeks ago. I can tell you that we are moving ahead very quickly.

Recently, senior provincial and federal officials met to discuss the trainee program. We hope to announce the first initiatives very soon, which will give 60,000 young people job training in business within three years.

(1015)

[*English*]

As members of the House would also know—I have certainly had many representations in this regard—we will be creating over 60,000 jobs for young Canadians this summer. That will be an increase of 20 per cent over last year. This program has always been well received and is particularly appropriate for young people.

Just last Friday in Winnipeg I announced the first 37 lead sites under the youth service corps. We are already engaged in a number of initiatives to try to give some new sense of hope and aspiration to young Canadians.

Today I want to address the House on another very central or key priority in the youth employment strategy and the major reforms we propose for the Canada student loans program.

Over the years the Canada student loans program has been a fundamental foundation of the entire higher education system. We rank among the top countries in the level of public assistance for university and community college students. We are certainly much more generous and extensive than many other countries in the OECD. Over 900,000 full time and more than half a million part time students are pursuing post-secondary education to make their futures brighter and to give them some sense of the skills they will need for the future.

However, like many other social and educational training programs sponsored at the federal level, our student loans are no longer designed to meet today's needs. There are very serious gaps in the programs which allow young people to fall between the cracks or put barriers or disincentives in their way.

There are rigidities in the system which do not allow us to provide for the flexibility that today's education requires. Young Canadians, their families, the educational community and student groups have repeatedly called for fundamental reform in the area of student loans. The bill is the first attempt in more than 30 years to try to come to grips with these necessary changes.

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We propose in the legislation a much broader and more inclusive system that will bring people in from the margins and help those most in need. The result will be a system with various components and greater access to funding. Support in school and after school will facilitate employment, security and opportunities for learning. In short, it will give young Canadians the tools they need to achieve educational goals.

I tell members of the House that in preparing for the legislation we consulted with a wide variety of people: the Canadian Federation of Students, the National Educational Association, disabled students, the Association of Universities and Colleges, and the provinces. We all agree there are at least three main reasons change is required.

First, the Canada student loans program has been greatly underfunded. Full time loans have been frozen at a level of \$105 per week since 1984. Yet education costs during that same period have jumped by over 58 per cent. Every member of Parliament has encountered students and former students who have had problems obtaining enough resources to continue their studies or who had difficulty repaying their loans. The proposed bill would address both these problems by substantially increasing the aid to students and by introducing measures that would ease the problems of repayment.

A second major reason for the change is the changing requirements of the labour market. The majority of jobs created by the year 2000 will require a minimum of 17 years of schooling. Yet approximately 60 per cent of our young people currently enter the workforce directly from high school with no further structured education or training. The great tragedy is that close to 30 per cent of young people drop out of school before they even reach the high school level. I do not think there is any greater argument or any greater reason that we must substantially improve access to our post-secondary education system.

There are also very important changes taking place in the population, especially with respect to those using our schools and universities. Although the majority of students are young people under the age of 25, increasingly Canadians born in the fifties and sixties are also returning to school. There has been a remarkable increase in the number of people who want to come back to school. This means that we must provide substantially better support for part time students or for adult returning students. Let me now present what in concrete terms we propose to do in the legislation.

(1020)

First, we will increase the loan limits by 57 per cent or to the same level they would have been if there had not been a 10-year freeze imposed by the previous government. As a result full time loans will increase to \$165 a week from \$105 a week.

Second, the proposed act works for students with disabilities whose numbers in colleges and universities do not come close to reflecting their proportion of people in the population. Students with disabilities confront many obstacles to full participation in our economic mainstream. Learning should not be one of them. It is believed that fewer than 3 per cent of Canada's full time university and college students are those with disabilities.

The bill will deal directly with those situations by reducing the barriers. A survey by the National Educational Association of Disabled Students reported that taken together federal and provincial aid to students is totally inadequate. It also reported that \$3,000 or less annually would help to meet the shortfall.

As a result we are providing in the legislation permission for students with permanent disabilities to qualify for grants up to \$3,000 a year. This means that for the first time we will open the doors for those with disabilities in a very major way. It means that they will have more flexibility in their programs. They can take fewer courses and have more time to complete their studies. Students with permanent disabilities will also continue to be eligible to apply for forgiveness of the loans if they run into difficulties with repayment.

As many members of the Chamber will recognize, there are inequities for women in higher education. Current imbalances must be addressed. Although women are now well represented at the undergraduate level of universities and colleges, they are substantially under-represented in areas of post graduate studies. One-third of doctoral degrees are awarded to women. Only 9 per cent of doctoral degrees in areas like engineering and applied sciences go to women and only 17 per cent of those are in mathematics and physical sciences. This is a situation in which positive intervention on the part of government can help to correct these inequalities. Special opportunity grants of up to \$3,000 a year will be available to women taking doctoral programs. Through this we will be able to substantially increase their access to fields like engineering, physical sciences and applied mathematics.

A third area of major change is the need to cope with the increasing number of people coming in as part time students. Part time students presently make up over one-third of all college and university enrolments in Canada. Many of them are helped by employers or work to finance their own studies. Clearly they do not need a large amount of government support, but there is a substantial minority of part time students who need financial assistance to continue in school. Student groups and educational associations have called for improvements in the part time loans program.

As Canadians go through the cycle of lifelong learning there will no longer be a question of simply being able to go to school as a young person, graduate and work for the same employer year after year. We are now in a situation in which they will be changing their workplace perhaps four or five times during their

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working careers. To do so they will constantly have to go back to school to improve skills, upgrade education and substantially enhance their educational opportunities.

As a result we are proposing to raise the maximum loan for part time students by almost 60 per cent from \$2,500 to \$4,000. In addition under the new financing arrangements the repayment burden on part time students would be reduced by allowing them to pay only the interest on the loans while they are studying.

(1025)

We also recognize that students who are single parents or people on income support assistance may not be able to meet the eligibility requirements for full time loans. These students need special attention to top up their resources, and the bill will provide it. Therefore special opportunity grants of up to \$1,200 a year will be available to part time students with high financial needs. That will allow the single parent with children a substantial opportunity to go back to school. These grants will be used for direct costs of education such as tuition, books, local transportation and child care. It will provide a new foundation for part time students, especially single mothers, to go back to school.

At the present time the average student loan is around \$6,000. However about 7 per cent of students graduate with debts of more than \$15,000. Several provinces have recognized that very heavy debt burden and have implemented systems of deferred grants or loan forgiveness linked to the completion of studies.

In consultations on the reforms it became obvious that increasing loan levels would also increase debt levels. To ease the debt burden of high need borrowers we are creating a system of deferred grants to equalize and put them on a parallel with less needy students. Under the revised program individuals with Canadian student loans in excess of \$16,000 on graduation would be eligible for a deferred grant. Under the new provisions we estimate that up to 21,000 students beginning studies in 1995-96 would be eligible for deferred grants when they graduate at the end of the decade.

Easing the transition from school to work makes eminent good sense. Canada wants and needs young people to pursue higher education. We are also urging all other Canadians, middle aged or old, to improve their abilities through lifelong learning. We cannot point to education as a key to success and then deny support to people who want to go back to school. The transition from school to work can be very difficult. Therefore the deferred grants will substantially help students with high financial need.

Under the present system the federal government can pay the interest on loans for up to 18 months. Their unemployment may

be either as a result of their inability to find employment or because of a temporary disability or illness. This interest relief provision is effective in reducing the number of borrowers who default after leaving studies. However former students in low paying jobs cannot obtain this benefit. We intend to extend interest relief to include those in part time or low paying work. In other words, we will not penalize people for working at entry level jobs which allow them to gain experience and show employers what they can do.

A major problem with the existing program that has been highlighted by the Auditor General is the default issue. The bill would address the problem by authorizing agreements with lenders based on the risk sharing approach. Under the new arrangements the existing 100 per cent government guarantee would be removed and lenders would assume the liability for loans that must be repaid. Many loan defaults under the current loan program occur because lenders do not have the incentive to be diligent in servicing and collecting student loans.

The new financing arrangements are designed to provide incentives for lenders to give better services to students and for students to succeed in their studies. Lenders will help prevent defaults by offering income sensitive terms of repayment. The loan package was designed to meet the needs of students and to ensure that each student is treated as an individual, not simply as a number.

Let me stress that these new financing arrangements will not limit the access of students to loans. The basic objective of the program is to ensure students the credit and access they need to pursue their studies. That is why governments have a role to play in student assistance. The underlying objective of the student loans program will remain and all eligible students will continue to receive their loans.

I am sure there is a number of other major initiatives in the bill that my colleagues on this side of the House will address.

(1030)

I would like to make two additional comments which I think provide some new flexibility. First, as it deals with provinces.

[*Translation*]

For example, as hon. members know, Quebec has its own student loans system. Unfortunately, under the old system, there was no cost sharing for students with special needs, as I said in my speech. Under the new system, loans for students with special needs in Quebec will increase. Also, there will be a new cost sharing for student loans in Quebec.

I think that this is another example of co-operation between the provinces and the federal government in this important system for students and for education.

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I would like to point out another feature which I personally think is very crucial. We are in a world where we have to rethink much of what we are doing in education. In particular we have to begin to look at how we can substantially increase private participation, private investment in education. I said earlier that in Canada we spend perhaps the highest percentage of public moneys to assist in higher education but we have one of the lowest records of private involvement, private participation, private investment.

In order to ensure a brand new system of learning that will encompass opportunities at all stages and all levels of life and learning, we are going to have to give more incentive back to individuals to invest in their own educational opportunities.

One way that has been explored in a few countries such as New Zealand and Australia has been the notion of income contingency repayment. It allows students who take a loan to repay at the level of their income as opposed to a flat rate so that the deterrent of having a loan or a debt at the end of your regime does not provide a barrier.

We are proposing in this legislation to introduce an opportunity to work with individual provinces to set up a series of pilot projects to test out the notion of income contingency repayment. I can say to members of the House that I have already had several conversations with provincial ministers of education who have shown an interest in this program. It will substantially rewrite the way that we provide incentives for individuals to invest in their own education without the fear of having serious debts at the end. It will provide a scaled down portion of repayment.

I think this is a sign of the future. It is the kind of building block that we can put in place to make a new revision and reform and renewal of our broad based higher educational programs. I hope members of the House will take a look at these innovations that we have brought in to provide these new opportunities and see how they can act as a new framework through which we can rewrite the blueprint for higher education in Canada.

I very much appreciate the attention of the House in introducing this important legislation. I believe it will be a very major step forward in the immediate opportunity for improvements in the level of loans. It will give a substantial increase in opportunity for students with disabilities, women attending graduate school and students of high financial need. It will provide much broader access and will be new ground in the notion of the income contingency repayment and a new system of providing a lender based system using our banks and financial institutions to provide the capital while we provide the backup guarantee.

I do not pretend that this is the end of the reform. As members of this House will know we embarked on a much broader process of social reform in the country. I hope to be able to table for members in several weeks the broad framework of what we propose. This is a very important element. I think we all recognize how crucial the necessity for better learning, for better education, for better understanding of one's skills and abilities will be. We are going to be a society based upon high education and high skilled information technology. Therefore we have to ensure that our educational system keeps pace and stays relevant to those needs.

(1035)

With this I strongly recommend to the House the passage of this legislation. I look forward to the discussions in committee. I hope that we can have fairly quick and speedy assessment by members so that this new program can be up and ready for students by the school year beginning this fall. If we can do that, I think this Parliament will make a very important statement to all Canadians that we are concerned and committed to their future.

[Translation]

Mr. Antoine Dubé (Lévis): Madam Speaker, as the Official Opposition critic for training and youth, I welcome this opportunity to speak to Bill C-28 amending the Canada Student Loans Act. However, before commenting the bill per se I would like to say a few words about the presentation the Minister of Human Resources Development has made. Just to say it seems to me that he had much more to say about the programs included in this education and work strategy for young Canadians and what he planned to do with his bill than about the bill itself. As far as I am concerned, this bill exemplifies the kind of vague wording used as a smoke screen by a government which tries, unsuccessfully, to hide its centralizing designs. The bill does not say much. Unfortunately, we will have to wait for the accompanying regulations to be able to fully appreciate its impact.

One can wonder what the Liberal government's real intentions are with Bill C-28. For example, by raising the ceiling of student loans, is the government setting the stage for a further reduction of its contribution to the funding of higher learning institutions? As vague as are the wording and the general statements with regard to amending the existing legislation, one can nonetheless identify certain guidelines out of this bill.

At a time student indebtedness has become unbearable due to lack of available jobs, the government is taking measures that will only put them further into debt and make it more difficult to pay off their debts. Let us bear in mind that Bill C-28 is part of the youth education and work strategy announced April 15 by the Minister of Human Resources Development.

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On that very day, I denounced this strategy that I considered as a further infringement in the area of education, an area which, according to the Constitution of Canada, comes under the exclusive jurisdiction of the provinces. Must we remind the minister that this goes against the fundamental interests of Quebec, a position which was reaffirmed unanimously in the Quebec National Assembly on April 14?

These amendments to the students grants and loans system is but one element of the social programs reform on which the Minister of Human Resources Development has supposedly undertaken consultation with the people of Quebec and Canada. What is the rush? The minister did not even have the decency to wait for the results of the consultation held by the Standing Committee on Human Resources and to secure the support of the provinces before going ahead with this part of the social programs reform.

Again, what the Prime Minister meant when he said during the election campaign that he did not want to talk about the Constitution is becoming apparent today. Reading between the lines, we can deduce, as he actually invited us to do, that from now on he will pay no attention to provincial jurisdiction and impose such things as national education standards. As it turns out, this government has not learned a thing. It is going ahead with measures that can only increase duplication which is a shameful waste of public funds.

(1040)

The most important question we should ask on Bill C-28 is this: Why does the government want to change financial assistance to students? The first reason is obvious. Bill C-28 gives more power to the Minister of Human Resources Development. That is essentially the first and most important reason in our opinion.

First of all, with respect to the appropriate authority, this bill says that the Minister may designate for a province an appropriate authority, which may designate educational institutions that offer courses at a post-secondary school level in or outside Canada.

Under the old Canada Student Loans Act, the appropriate authorities were designated by the Lieutenant Governor in Council of the province concerned. This will now be done by the Minister of Human Resources Development himself because Clause 3.(1) specifies that:

3.(1) For the purposes of this Act, the Minister may, by order, designate for a province

(a) an appropriate authority, which authority may designate as designated educational institutions any institutions of learning in Canada that offer courses at a post-secondary school level, or any class of such institutions; and

(b) an appropriate authority, which authority may designate as designated educational institutions any institutions of learning outside Canada that offer courses at a post-secondary school level, or any class of such institutions.

(2) An appropriate authority may revoke any designation made by it under subsection (1), and any designation made in respect of the province under the *Canada Student Loans Act* and, in the case of a designation of a class, may exclude any named institution from that designation.

4.(1) The Minister may enter into an agreement with an appropriate authority, or with an appropriate authority and the government of the province for which the authority was designated, respecting the exercise or performance of any of the authority's powers, duties or functions under this Act or the regulations.

In this case, the Minister of Human Resources Development is the authority in an area of exclusive provincial jurisdiction recognized by the Constitution.

4.(2) The Minister—

—of Human Resources Development—

—may give directives to any appropriate authority respecting the exercise or performance of any of its powers, duties or functions under this Act or the regulations, and such directives are binding on the appropriate authority.

The minister could enter into agreements with the provinces to harmonize the administration and financing of student loans throughout Canada. Does abolishing the existing provincial loan allocation formula mean that the minister can require the provinces to respect a greater number of national standards in order to receive the allocation?

What will happen to a province like Quebec, which respects the Canadian Constitution by taking care of its own student loans, which come under the area of education, an area, again, of exclusive provincial jurisdiction? Will Quebec receive its fair share of compensation?

We also notice that, in pursuing the centralizing and insidious intentions of the federal government in matters of education and training, the Minister of Human Resources Development may now enter into risk-sharing agreements directly with lenders.

The enactment of these will abolish the existing provincial loan allocation formula established by the minister.

Another question raised by Bill C-28 is the maximum amount of loans. The act currently provides for a specific maximum amount of student loans.

This morning, the minister talked about a maximum amount but there is no mention of it in the bill. It may have been announced but it is not in the bill. There is no specific maximum amount. What the bill says is that it can be set by the minister.

Bill C-28 only says that, subject to the regulations, the lender is required to make to a qualifying student who has been issued a certificate of eligibility a loan in an amount not exceeding the maximum set out. What is this amount? Is it the 57 per cent increase in the maximum loan announced by the minister or is it something else? The part of Bill C-28 relating to the repayment of loans also raises questions. Clause 9 says that the borrower

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may be liable to pay a portion of the interest during the loan period under certain conditions. What are these conditions?

(1045)

According to section 10 *b*) of the current act, the student borrower simply does not have to pay interest during the loan period while he is in school. That provision has been eliminated.

Clause 11. (2) of Bill C-28 provides that the termination of the borrower's rights by reason of disability or insufficient family income becomes effective if the borrower's condition deteriorates after the first day of the seventh month after the month in which he ceases to be a student.

Does that mean that a borrower who is the victim of an accident or any other cause keeping him from working after the first day of the seventh month after the month in which he ceases to be a student will have to repay the loan, or will he have to declare bankruptcy? Considering that 10 per cent of personal bankruptcies in Canada are student bankruptcies, does the minister want to see that figure go even higher?

Clause 12. (1) creates a major ambiguity. It states that a certificate of eligibility will be issued to students who have attained a satisfactory scholastic standard or who are in need of financial assistance.

Can a student be refused a loan because of his marks? Who will determine the amount required by the student? Will unpaid parental contributions be taken into account? Will there be national eligibility standards?

Clause 12. (7) reads:

The maximum amount of financial assistance in respect of which a certificate of eligibility is issued, other than a loan to which subsection (4) or (6) applies, is the prescribed amount, or the amount calculated in accordance with the prescribed formulas.

How will this amount be calculated? We have no idea.

Will it be possible to give additional amounts through scholarships once the ceiling for loans is determined? This morning, the minister alluded to subsidies. We will see.

Also, clause 14. (7) of Bill C-28 states that amounts paid to compensate a province which does not integrate the federal loans program will be included in the calculation of the program net costs only if the provincial government satisfies the Minister of Human Resources Development, within a given period, that the provincial program has substantially the same effect. The provinces will have to convince the federal minister, in spite of the fact that this is a field of exclusive provincial jurisdiction.

Will the minister base his decision on national standards regarding education or education financing?

Clause 15. (i) reads in part:

—the circumstances under which a new loan— may be denied to a student, or an interest-free period— may be terminated—

Which criteria will justify such action? We have no idea.

We believe that such measures may have disastrous consequences on the future of some students experiencing financial, personal, academic or other problems.

At first glance, Bill C-28 does not look reassuring to borrowers. In my opinion, the government does not have a clear idea of the true socioeconomic situation of young people. It is worrisome to see that banking institutions have an increasingly greater discretionary power. And what about the risk premium which will probably be paid to them, given the profits they make? Banks are in the best financial position; yet, a provision is included to allow the minister to pay a premium and eliminate risks for these institutions. This is not reassuring.

Clause 15. (n) of Bill C-28 provides for the establishment and operation of a program to provide special interest-free or interest-reduced periods to borrowers, according to pre-set conditions. However, section 9. (1) of the current act provides for exemptions, under certain conditions. Is the government adding new exemption conditions, or is it amending the current ones? We have no idea.

If so, it would be interesting to have more details. Finally, I come to the most controversial clause of Bill C-28, namely clause 18 which includes general provisions. This states that the minister may enter into agreements with federal or provincial departments to facilitate the administration of the act, or to harmonize its administration at the various government levels.

(1050)

This is seen as a major improvement over the existing legislation on student loans. It reflects, however the centralist concept of federalism, a concept that ignores the specific identity of the provinces. There is a desire to control everything from the top, with no concern for the people who are trying to get along on what they have.

After this brief overview of the main provisions of Bill C-28, there is an important point that I feel should be made. The government apparently wants to reform the federal loans system by regulation, but these regulations, which undoubtedly would shed more light on the matter, are unfortunately not available today. The most immediate impact of Bill C-28 may well be to increase student debt and thus compromise the future of our young people who, in addition to getting deeper in debt, may not get the jobs they want when they graduate. This will make it

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harder for them to pay back their loans and may increase the number of personal bankruptcies.

Perhaps I may expand a bit on the subject of student debt. In Quebec, for instance, university tuition fees almost tripled in three years. In fact, the situation has been similar across Canada since 1984. Since Quebec had the lowest tuition fees, there was a certain amount of catching up to do, but the fact remains that the increase was rather drastic, and more is yet to come.

As governments reduce their financial commitments to educational institutions, these will have to raise the amounts they charge students. In Quebec, the average amount of student debt at the post-secondary level is \$8,500. It is estimated that in Quebec, 60 per cent of parents pay nothing towards their children's post-secondary education, and since the parental contribution is taken for granted by governments when they calculate the amount of financial assistance to be given, these students are actually losing quite a bit of money in the process.

As for personal bankruptcies, it is estimated that 10 per cent of these are filed by students. That is a considerable proportion. And these bankruptcies represent a major cost for governments. As a member of the Human Resources Development Committee, when we were analysing these particular budget items, I heard officials say it was difficult to establish the cost with any precision because there were tremendous problems with recovery.

So what happens now? Because of a lack of effectiveness in this respect among governments in English Canada—in Quebec, the Government of Quebec has a withdrawal right—the responsibility is transferred to the banks, and when you consider the attitude of some banks, there is certainly cause for concern.

According to an article published on April 11 in *Le Devoir*, in Quebec in 1993–94, former students who went bankrupt had loans totalling \$4.7 million. This is more than twice the loans for 1990–91, which at the time totalled \$2.2 million. That is a lot of money.

We therefore believe that this bill will increase the number of loans, and thus the number of bankruptcies, as well as the amounts involved.

More and more students are obtaining loans and bursaries. In Quebec, an estimated 175,000 students at the post-secondary level are receiving financial assistance this year; in other words, nearly 50 per cent of the students enrolled at this level.

In British Columbia, it cost the government \$17 million in 1992 to reimburse the loans of 3,037 former students. In British Columbia, 3,037 former students were unable to pay back their student loans. Seventy per cent of the students were apparently unable to pay back their loans because they were unemployed, which seems pretty obvious, but I think we should realize that unemployment was the culprit in 70 per cent of these cases.

According to an article published in *Le Droit* on January 10, 1994, 248,000 students received financial assistance directly from the federal government in 1991–92, for a total amount of \$743 million. Although the vast majority of student borrowers pay back their loans, we must realize that 13 per cent will not be in a position to do so.

The Minister of Human Resources Development has tabled a bill on student financial assistance which unfortunately does not take into account recommendations made by the student community and especially by student associations. So what do students want?

(1055)

First of all, the associations which I contacted in Quebec want a student assistance program to be developed, one which would draw a distinction between tuition fees and living expenses. In determining these expenses, consideration would also have to be given to the true costs of the program or field of study in question, because this can vary according to the field, region of the country, family situation and associated costs.

Secondly, when it comes to calculating loans and bursaries, parental financial assistance should not be a determining factor. All students should be considered as independent. The amount of the loan or bursary should not be an incentive for students to continue living at home, but rather it should encourage them to acquire a certain measure of independence as quickly as possible after reaching the age of majority. Obviously student associations in Quebec recommend that the federal government withdraw completely from the field of education, in particular post-secondary education.

The federal government wants to increase the amount of student loans without taking into account the real ability of students to repay the money. Precariousness is a concept used with growing frequency in discussions about youth employment. It is a concept which the government does not seem to grasp fully. So-called precarious jobs are the exclusive lot of young people in Quebec and in Canada. Fifty per cent of young Quebecers and Canadians are reported to hold down precarious jobs.

Generally speaking, a precarious job is one that is low-paying, often paying minimum wage, with minimal opportunity for advancement. A precarious job is one with no security, often non-unionized, one that can disappear overnight for various, more or less justifiable reasons. A precarious job is one which a person holds out of necessity and would willingly give up for something better. Young people with precarious jobs often hold many such jobs for relatively short periods of time. Therefore, the definition of a precarious job stands in sharp contrast to that of a regular job with a good salary, job security and a pension plan.

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Why is it that the majority of precarious jobs are held by young people? The primary reason for this phenomenon is the growth of the services sector. Seventy per cent of all jobs are in the services sector. Furthermore, 70 per cent of young people who work do so in the services sector, that is the restaurant, hotel and general services industry.

Another factor responsible for the widespread precariousness of jobs held by young people is the increase in unemployment in all age groups. Clearly, young people are especially affected because, as recent entrants in the job market, they often must settle for the leftovers, that is the jobs no one else wants. Another identifiable cause of job precariousness among young people is the emergence in the past few years of a second wage scale reserved exclusively for new job market entrants that businesses can let go if necessary.

Furthermore, adolescence has long been considered a period of transition between childhood and adulthood. The situation has changed, however. Where once it was traditional for young people to study full time before moving on, almost automatically, to the job market and then starting a family and buying a house, now the line between adolescence and adulthood has grown somewhat blurred. Indeed, it is not unusual in this day and age to see young people having children, working and studying all at the same time.

Young people experience all kinds of situations that were uncommon in the past. Their lives are far more stressful than ours were when we were their age. They leave home later because of their chronic inability to make it on their own. According to the last two census reports, 41 per cent of young people between the ages of 20 and 24 lived with their parents in 1981 compared to 50 per cent in 1991. If the trend continues, this figure will hover around 60 per cent by the year 2000.

Furthermore, young people are heavy consumers. This finding is consistent with what the social model suggested during their childhood. However, the living conditions of today's young people are vastly different than those of their parents. Two major considerations dominate the relationship between young people and employment, namely access to employment and loss of employment. Young people must be patient when it comes to finding a job, while at the same time, they can only hope to hold on to the job they ultimately do find.

(1100)

In 1986-87, 60 per cent of young people aged 20 to 24 changed jobs; 45 per cent of this group changed jobs twice, not counting those who simply lost their job and could not find another one. In 1992, young people aged 16 to 24 were without work for 17.6 weeks. The new realities of the labour market hit our young people hard.

Nearly 40 per cent of those who work have a part-time or contract job. Thirty per cent of employed young people work in companies with 20 employees or less, which reduces their chance of keeping their job because, as we know, small business is very volatile.

In Quebec, 72 per cent of employed 20- to 24-year-olds are not unionized; 85 per cent of these young people have no pension plan and will not be eligible for one. This is very significant for the long-term security of our young people, especially since they enter the labour market when they are between 25 and 30 years old, compared to 20 years old for those entering the labour market in the 1970s.

Young people would also like to be able to save for retirement, but as student debts increase, given the labour market and job entry conditions we just mentioned, we may well wonder whether the government has evaluated the long-term impact of this action. Young people are increasingly aware of what they have to do. They study more than their predecessors. They are proud and fear both rejection and their difficult living conditions. But young people also want to be independent. They do not want to depend even more on governments and financial institutions. But this government tends to consider young people as a threat, as potential social problems to be contained.

Did the government seriously consult those involved in the student community before it reformed student loans? No, Madam Speaker. It proceeded in the same way as with unemployment insurance reform. Education was one of the few hopes young people still had to avoid unemployment, but what is the situation now, since 50 per cent of the young unemployed have not graduated? It is true, but 33 per cent have a high school diploma, 17 per cent a college diploma and 8.6 per cent a university diploma, and still they are unemployed.

The government must make it possible for young people to study with dignity and without becoming too indebted. The government must launch a real youth employment strategy.

Now I would like to say a little about education funding, because as student debts are allowed to rise, we must see that the federal and provincial governments throughout Canada are spending less on education.

As a result, these institutions have no choice but to raise their tuition fees. Under particular arrangements between the federal and provincial governments, the federal government contributes to post-secondary education through established programs financing; 32.1 per cent of EPF transfers are for post-secondary education. Of the funds allocated to education in Quebec in 1991-92, of course most came from the provincial government, \$10.1 billion or 82.4 per cent of the total; 7.7 per cent from private sources; \$913 million or 7 per cent from the federal government and \$302 million or 2.5 per cent from local governments.

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Statistics Canada estimates total education spending in Canada at \$50.6 billion. In 1991–92, \$14.3 billion or 28.2 per cent of total spending was spent on post–secondary education. For that period, Quebec spent a little over \$4.2 billion on post–secondary education, or 34.5 per cent of the total education budget, compared to Ontario, which spent a little over \$5 billion on post–secondary education, or 25.3 per cent of its total education budget.

Between 1973–74 and 1991–92, the average annual increase in government spending on post–secondary education was 10.2 per cent in Quebec and 8.9 per cent in Ontario. These figures may seem impressive at first glance, but upon analysis, we can see that federal aid for post–secondary education has been declining for years.

(1105)

In the beginning, the federal assistance introduced by a 1977 federal act was to be index–linked to general economic growth. However, the federal government limited the indexing of transfer payments for post–secondary education to 6 per cent in 1984 and 5 per cent in 1985. In the following years, other cuts were announced limiting the annual indexing to the increase in the gross domestic product less 2 per cent for 1986 and less 3 per cent from 1989. The 1991 budget brought more cuts by freezing subsidies for established programs financing until the 1994–95 fiscal year.

In constant dollars, the total federal envelope allocated to the Canada Student Loans Program has fallen substantially since 1986–87. This reduction in resources at a time when the student population is increasing has shifted to the provinces a significant amount of responsibility for financial assistance to students. The federal government's policies are reflected in its alternative payments to Quebec.

Alternative payments have not increased since 1987–88 despite an increase in the student population.

I would now like to talk a little about the situation of francophones outside Quebec. Again, the figures speak for themselves. If we look at a statistical profile on the link between education and labour force activity prepared in 1992 by the Canadian Institute for Research on Regional Development, we see that the regions where francophones are the most disadvantaged are those with the highest concentration of francophones.

An analysis of recent data from Statistics Canada also shows large disparities in education levels between francophone and Acadian communities and the rest of Canada. For instance, 45.2 per cent of francophones did not complete Grade 13 compared with 37.8 per cent of other Canadians.

Only 17.2 per cent of francophones completed high school compared with 17.4 per cent of other Canadians. Only 20.2 per cent of francophones have some post–secondary education compared with 23 per cent of other Canadians. And merely 17.4 per cent of francophones have gone to university as compared to 21.7 per cent in the rest of Canada.

Based on the same statistics, the rate of illiteracy within the francophone and Acadian communities in Canada is estimated at 30 per cent. At the same time, the rate of assimilation in these communities continues to grow, by 3.6 per cent per year on average now, a 4.5 per cent increase since 1986. I can see a direct link between the level of resources allocated to the education of francophones and Acadians and their rate of assimilation.

To conclude, I would like to quote some figures from the OECD. According to the OECD, between 35 and 50 per cent of the population in developed countries is living on the fringe of the labour market, not because they do not want to work, but rather because in the world today, not everyone is expected to contribute any more.

The fact of the matter is that the social fabric is deteriorating very rapidly and an increasing number of people are being more and more permanently excluded from work. It has got so bad that many young people, our future, now see no point in going to school and looking for a job impossible to find.

High drop–out rates in high school and unprecedented rates of functional illiteracy among young people are alarm bells that we can no longer ignore.

In view of the fact that all the experts agree that job creation through economic growth alone is a dangerous mirage, one can wonder what the Minister of Human Resources Development is trying to do by making it easier for students to get into debt while knowing that it will be next to impossible for them to find, in the short term, a decent job to pay off their school debts.

With this bill, the Minister of Human Resources Development proves once more that this government has no intention whatsoever of dealing with the real problems or trying to meet the real needs of the young people in terms of post–secondary education.

Where are the positive measures to boost employment? Certainly the minister does not expect to improve post–secondary education in Canada with those contained in Bill C–28.

This government is turning a deaf ear to the harsh realities our young people are confronted with today and it is dismissing the impact of the many changes which hinder their integration in our society.

In the absence of any real job development strategy centred on their needs, many young people have simply decided to quit school and join the ranks of UI and welfare recipients.

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(1110)

[English]

Mr. Monte Solberg (Medicine Hat): Madam Speaker, I am pleased to speak today on Bill C-28, the student financial assistance bill.

We Reformers understand that in order to sustain our standard of living the youth of Canada must be properly educated with the goal of becoming net contributors to Canadian society. Money wisely spent in this regard is an investment in the future. Our looming debt load and increasing numbers of students however have meant that for many years the funding of post-secondary education has suffered from less money going to more people.

Strains to the system are increasingly evident. Cuts to funding and overcrowding are diminishing the quality of education in Canada and increasing the costs of education to students. Yet these same students find themselves less able to pay back the money they owe because of the growing gap between what they learn in the school and what they need to know to find meaningful, well paid employment.

The less able they are to financially benefit from their schooling, the less able they are to pay back their loans, the less money there is in the pot for future educational requirements and the entire system spirals down toward new depths of mediocrity.

That is the present system of post-secondary education in this country. Obviously something needs to be done to address this problem. Is Bill C-28 an adequate response? My answer is only partially.

With apologies to friends in the medical community, I am going to use a medical analogy to describe our position with regard to this bill. When someone staggers into the emergency room of a hospital haemorrhaging all over the place, the first thing the staff has to do is deal with the immediate emergency, stanch the bleeding and stabilize the patient. The next thing which must be done is assess the reason for the damage and determine what if any long term treatment is needed to bring the patient back to full health. There is little point in doing one without the other.

The way I view this legislation is that the government is addressing the immediate emergency of post-secondary education but has failed to operate anything but a band-aid solution to what is really a more complicated problem requiring radical treatment.

While Bill C-28 offers short term relief to those hurting most from this system, it fails to treat the underlying problem. Therefore our support for Bill C-28 is qualified. As Reformers we want to offer as part of this debate the second half which is missing from this legislation, an alternative to a system which is demonstrably sick.

Before I put forth our position I would like to comment specifically on the positive and negative aspects of this legislation. On the plus side, Bill C-28 does offer a number of improvements to the old system and for that the government should be commended.

The increase in loan limits offers short term relief to students who have had to pay for increasing educational costs with a smaller purse.

The movement of responsibility for the collection of loans to the banks to decrease the default rate currently at 25 per cent and save the government considerable money, the revision of the eligibility criteria to emphasize academic results and the expansion of the assistance to apply to a broader range of educational institutions are all welcome changes and again I commend the government.

Finally, it has made some movement toward the area of an income contingent repayment system although it is far too timid in our opinion. I will return to that later.

To balance this assessment out, there are other parts of the legislation which are not so commendable to us as Reformers and in our opinion fail to serve the best interests of post-secondary students.

The government has not changed or harmonized the needs assessment criteria among the provinces. For example, students coming from the family farm may find themselves disqualified for assistance because the on-paper assets of the farm are deemed too high. The fact that these non-liquid book assets have nothing to do with the ability to individually finance one's education inherently discriminates against a large segment of our students.

This is further compounded by a reverse discrimination built in to the new grant program whereby only specially designated groups in our society will be eligible based on arbitrary non-financial criteria such as gender. We understand and agree with extra help for the disabled but surely a two-tier system of financial assistance is discriminating against those who lack the politically correct gender to qualify.

(1115)

We also have serious problems with this legislation regarding the minister's discretionary powers. In many areas they have amounted to a blank cheque, specifically in clause 5 dealing with any future negotiated agreement with the lenders, and clause 15 which governs the regulations that flesh out the principles in the bill.

Since the upcoming negotiated agreement with the banks is fundamental to the whole issue of student financing—and I think the minister would agree this is really so—why are the conditions of this agreement not incorporated in the legislation so that Parliament can scrutinize and, if necessary, amend it?

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With regard to the regulations, we would like the legislation to specifically mandate that they be referred to the House standing committee for review before coming into effect. Such a directive would rightly transfer power away from the department officials and toward the more accountable Parliament.

The Liberal red book section on parliamentary reform specifically states:

—a Liberal government will give MPs a greater role in drafting legislation through House of Commons committees. These committees will also be given greater influence over government expenditures.

Now here is a perfect opportunity for the minister to make good on his promise or conversely, demonstrate to the Canadian people the emptiness of those words.

These are the types of improvements we would like to see made to the bill at committee stage. We will certainly be working toward that end.

As Reformers we believe our role as an opposition party lies farther than just opposing everything the government proposes. We believe we have the responsibility to offer to the Canadian people a constructive alternative to the proposals put forth by the government and that is what we will be doing today. It is particularly important with regard to this bill since the government has failed to show long term leadership toward the issue of funding and providing post-secondary education in this country.

With the present system fiscal transfers under the established programs financing or EPF act have increased much more slowly than the rate of inflation during the 1980s. This is despite increased enrolment. Another flaw is that the federal government is unable to target its transfers specifically to education which means that the provinces have the ability to divert some of their funds to other social areas.

Since the federal government transfers money to the provinces based on population and not enrolment, what happens when a province's universities are in such demand that they attract large numbers of people from other parts of the country? They are penalized in essence for their success.

Such is the situation in Nova Scotia where there are as a proportion of the population more full time undergraduate and graduate students studying in its institutions than those of any other province, a whopping 54 per cent more than the Canadian average. Yet under the present EPF system this amounts to a financial penalty for building a high quality post-secondary education system that attracts out of province students. Where is the logic in that?

Given our fiscal reality it would be misleading to tell people we can fix the problem by pouring in more money we do not

have. That is old style politics: promising the moon and offering no means to pay for it.

The public demand more from their representatives today. If we cannot promise to spend more, we can do better with what we are able to spend. This is where our proposal comes in, what we have called the advanced education voucher system.

Right now the federal government spends approximately \$2 billion a year on transfers for post-secondary education. Under our proposal this amount would be divided into 650,000 vouchers of \$3,000 each. These vouchers would take the form of grants to students which they could spend only on higher education anywhere in Canada. Students would turn over their vouchers to the colleges or universities in which they enrolled. The institutions would redeem the vouchers for cash from the federal government.

The reason for this reorganizing of federal funding for higher education is straightforward. Under our new system the effective choice and bargaining power of students will be increased because they will now have the power to spend their voucher where they can get accepted. Colleges and universities will be encouraged to compete for students in order to get the cash value represented by the voucher.

The focus of our institutions will shift from governments as a source of funding to the students who will now be bringing with them not only their tuitions of \$2,000 or more but their vouchers worth another \$3,000.

(1120)

We believe the federal voucher system would work in the right direction by encouraging universities and colleges to compete for enrolment. This would set up incentives for universities to emphasize teaching and the other aspects of university life which attract students, such as the rate of employment for their recent graduates.

For those who may want to lament these proposed changes and the pressures they will place on our universities to compete, it is worthwhile to refer to a recent *Globe and Mail* editorial entitled: "University heal thyself".

While not recommending any particular solution, it very aptly presents the problems in our current system that our voucher system would address. The facts are that financial and other pressures are forcing our post-secondary institutions to review their mandates and in many cases work smarter with less money. Here is a quote from the *Globe and Mail* article:

Over the past generation Canadian universities have succeeded in being all things to all people. Governments financed the creation of new institutions and programs to serve a vastly expanded and more diverse clientele, all reaching for the middle class dream.

For the next generation, for financial and other reasons universities face a tougher job to choose between what they do well and what they do less well. They

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will either have to make the changes themselves or allow these changes to be forced upon them by governments.

Increasingly, universities will have to be more inventive about carving out an area of expertise and delivering it in ways that are transparent to students, faculty and the public. If Canadian universities are to move beyond the rhetoric of excellence and quality in post-secondary education, they will have to become less homogeneous than in the past. Universities will also have to become more transparent in deciding what programs to save or drop in the name of quality.

Our voucher program changes the way funding is delivered to the universities and colleges and allows them more freedom to adapt themselves so as to meet these goals.

There is another immediate real world advantage of vouchers. Federal support for advanced education is in serious danger of being eroded down to almost nothing—and this may sound cynical but I must put it forward—because federal politicians derive few political rewards from providing it. They transfer the money to provincial politicians who then reap the political rewards of building campuses, providing programs and appointing their faithful to boards of governors. In today's age of austerity there are few powerful advocates in Ottawa compared to those who lobby for medical care, aboriginal land claim settlements, or subsidies to business.

At one stroke the advanced education voucher system would create a large and powerful political force for higher education at the federal level. This force would consist of students, parents, husbands and wives, all those who receive the vouchers and participate in decisions about how to use them. Advanced education could then compete on more equal terms for its proper share of what government could afford to spend.

That is our constructive alternative to the present system of funding post-secondary education, but this would only partially address the financial pressures of our students. We would also change the current financing system so that every student was eligible for loans under an income contingent repayment, or ICR, plan.

ICR is not a new concept. There are currently different elements of ICR implemented in three countries, as the minister pointed out, in Australia, New Zealand and Sweden. Simply put, it is a program which allows a student to take out a loan regardless of whether they are dependent on their parents. Students are not penalized on the basis of their parents' wealth or more accurately, middle class status.

Under the current system it is often those coming from the middle income level who find it most difficult to go to school. Their families do not have the funds to pay for the schooling directly, yet the government says that they are not poor enough to qualify for assistance.

Under the ICR plan everyone would be eligible because it would become the student's total responsibility to assume loan payments commencing when they graduated and had a job. Their repayment would be based on a flat percentage of what their salary happened to be.

Under one proposal, if the student had a job with an annual income of \$10,000 to \$12,000, then the loan payments would be approximately 3 per cent, or \$350 a year. As an individual's income increased toward say, \$50,000 the rate of pay back would increase 4 per cent and then 5 per cent until they were paying approximately \$2,500 a year, until their debt was paid off.

(1125)

With ICR, if the graduate became unemployed then the payments would be deferred until their annual income rose to exceed the set threshold. If they were unable to pay off the debt in 15 years, then the remaining sum would be forgiven. Also, if the graduate were to die or become permanently disabled, the debt would be forgiven. Since forgiven debts would have to be paid off somehow under ICR, those graduates with the higher income would be charged with an interest rate higher than the government's borrowing rate to offset the forgiven debts.

This system would eliminate the complicated, arbitrary and often uneven eligibility process for financial assistance across the country. ICR would not have any eligibility processes due to the fact that the payments would become the sole responsibility of the student during the 15 years following graduation.

The repayment schedule would eliminate the current situation of students with very low paying entry level jobs being forced into default simply because their loan repayment rates are too high for their salaries.

Under ICR the amounts of money they would pay would be determined by their annual income as determined from their tax return. This system however could only run smoothly if the ICR recipient had entered a proper and accurate income statement. Safeguards would have to be built into the system to prevent fraud or misuse of the funds borrowed.

How would we initially fund such a system, especially since the federal government's cupboard is bare? One way would be to raise funds through the current sources, the commercial banks.

Under the current system if a person defaulted on their loan then the bank would have to hire a private collection agency to collect the owed money. The collection costs were nearly \$11 million in 1987-88. In the ICR system the lending program could be administered by an independent agency which could raise funds from the issue of bonds while a stock exchange for second-hand bonds, similar to the Student Loan Marketing Association in the U.S., could subsequently be developed.

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Another government saving would be the significant reductions in write-offs and the new ability to charge compound interest according to the full duration of each loan.

With the ICR program it would be possible for the universities to become independent from the governments by allowing them the freedom to raise and set their tuition fees as they felt necessary. It makes sense that medical school tuition rates ought to be significantly higher than a post-graduate arts program, since a doctor's earning power is much greater. Therefore the medical school graduate ought to be able to afford a higher school debt load and loan repayment cost.

I realize that any increase in tuition fees to bring them more in line with the actual cost of education is bound to be met with howls of protest from certain areas. Student leaders in Canada have stridently opposed any increases as unfair to lower income students and a deterrent toward attending school.

However, we believe that under our ICR program the opposite would be the case. The argument of a deterrent factor simply fails to stand up to the facts. If these were the deterrents to schooling they claim they are, student leaders must have difficulty explaining why Canada with its fee structure has twice the percentage of university age people in school compared with France where fees are zero, or why the United States with the highest fees also has the highest percentage of its population in universities among the leading industrial countries.

Another criticism to this ICR proposal is that universities could poach each other's students especially when the market is so unstable. I would suggest this is not necessarily bad. If poaching took place, either by a university reducing its fees while keeping quality constant, or increasing its fees and offering more than a proportionate increase in quality via new courses, programs or facilities, the beneficiaries would only be the students in particular and our overall quality of post-secondary education in general.

These are the proposals we as Reformers would like to put forth as a creative alternative that would offer high quality, affordable, post-secondary education to our students.

Under Bill C-28 we may stabilize the patient and it is a slight improvement to the status quo, but that does not mean the patient is cured.

(1130)

While for the benefit of our students in the system today we may support in principle the emergency procedures of this particular bill, we believe our responsibility goes much further. We owe our future students a better system than that which

exists today, a better system that delivers an affordable, quality post-secondary education.

We believe these two goals can be achieved through our advanced education vouchers and an income contingent repayment plan. The options for our youth are either improving on a poor system or designing an entirely new system. As a long term policy we Reformers favour the latter.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Madam Speaker, before I begin my speech I would like to tell you that we are going to be splitting our time on the government side.

I am pleased to say a few words to the House to summarize the Canada student financial assistance bill. I am excited by this bill because I think it will bring positive change to the lives of many students who have been shut out in the past 10 years by the past administration.

As we have heard, the Canada student loans program which was established in 1964 has provided \$8.5 billion in loan guarantees to over 2.1 million students enrolled in colleges, universities and vocational courses. It supplements students' own financial resources from their earnings, awards and their families. It exists to meet a pressing need on the part of many young Canadian women and men seeking to better themselves.

The reforms provided in this bill enhance assistance and target those in need, ease the repayment burden, emphasize results, provide for new financing arrangements, set the stage for harmonization of federal and provincial student aid programs, provide flexibility to explore income contingent repayment for education and training.

Hon. members should remember that not only will the student loan arrangements be modernized but new forms of non-repayable grant assistance will be introduced. These improvements will ensure that the program better serves the needs of students.

The youth employment and learning strategy stresses the importance of a well educated, skilled and adaptable labour force for the 21st century. Post-secondary education and training reduces the probability of unemployment and increases the possibility of higher individual income.

Both the Canada student loans program reforms in particular and the youth strategy in general are signs of the government's strong commitment to the young people of our country.

The Government of Canada is embarking on an employment and learning strategy in collaboration with provinces and industry that will help young people prepare for the 1990s labour market and the new global economy. It will seek to improve existing school to work transition measures and introduce new approaches for the education and training systems.

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The strategy will start to turn things around for young people by offering them more opportunities to learn, to work, to contribute to society. It builds on the strengths of what has worked in the past and sets the stage for new, innovative models.

As the Minister of Human Resources Development has stated: "We know the status quo is not working when we see too many young people sidelined in society". The government is now laying the foundations for improved education and training systems. We will test new models to help young people make a successful move from school to the workplace.

Revitalized education and training systems represent some of the groundwork for the social security reform process now under way. Social programs are redesigned to restore security, offer employment and hope, and create a more productive economy. The strategy will ensure that the basics are in place to assist young people in becoming productive and self-reliant.

(1135)

Further changes to education and training programs will depend on the outcome of the social security review. Clearly we need to give young people the opportunity to fulfil their potential, to contribute to society and to help build a brighter future for our country.

The central objective of the Canada student loans program will remain to provide financial assistance to students for their pursuit of post-secondary studies. The government and its partners are committed to a student loans program which provides for subsidized loans for full time students in school and for reasonable costs and terms in repayment.

The challenge we face is to improve our effectiveness in providing access to post-secondary learning in a climate of continuing fiscal restraint. In order to succeed, in a nutshell, we must do better with the resources at our disposal. Enhancements to student aid must go hand in hand with measures to reduce and control program expenditures on defaults.

The reforms have been the subject of extensive consultations with the provinces' student associations such as the Canadian Federation of Students and the National Education Association of Disabled Students, educational institutions such as the Association of Universities and Colleges of Canada and the Association of Canadian Community Colleges and financial institutions.

There is consensus among the public in general, the provinces and interest groups on the pressing need to proceed rapidly with reforms to this program. There is widespread agreement that we must increase and diversify our assistance to students. Assis-

tance therefore will be enhanced and targeted to those most in need. This will be done by increasing the loan limits for both full and part time students.

Loan levels will be raised by almost 60 per cent and restored to where they would have been had they not been frozen since 1984. The full time weekly loan limit will go up to \$165 from \$105, meaning that a student could receive a maximum of \$5,600 per academic year.

For example, Gregg Byron, a student from a middle income family of four earning around \$65,000, living in my riding in Aurora and attending the University of Guelph would not have been eligible under the past system for loans. However today that middle class family member can have access to \$2,040 in federal student assistance.

That is positive change for middle class families. They are no longer going to be shut out of the process, shut out of learning and educational opportunities. That to me is the type of change that Canadians have been calling for and that we have acted on.

The part time loan limit will also be increased. A part time student attending the University of Saskatchewan was previously eligible for up to \$2,500 in assistance but had to begin repaying the loan almost immediately. That same student under this bill may be eligible for loans up to \$4,000 in assistance and will only have to commence repayment of the principal six months after completion of studies.

In total, the value of aid will increase by \$2.5 billion over the next five years compared to the previous five years. The reforms also address concerns about the student debt load, loan defaults and the exceptional needs of some students. Some graduates have been hampered in the past by their inability to repay their student loans. The reforms will reduce the repayment burden for high need students, recent graduates as well as facilitate the transition from school to work.

A national program of deferred grants for students in need will be set up to maintain their debt loads at reasonable levels. This will mean that a student with a student loan debt of \$22,400 may be eligible for a deferred grant up to \$6,840 to write down the actual debt load of that student to \$15,600.

(1140)

Interest relief will be expanded to include low income borrowers. For the first time in the history of the program, borrowers who are employed but do not make enough money to cover their entire student loan payment each month, may be eligible for full or partial interest relief for up to 18 months following the completion of studies.

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Special opportunities grants will be provided to meet the exceptional educational costs of students with disabilities, women pursuing doctoral studies and high need, part time students.

I think we have brought some very positive change to this legislation. I look forward to debating this issue in the House and in committee.

Let us remember that when we look at the big picture of Canada student loans and financial assistance, when we look at the issue of a learning continuum and getting our people ready to compete in the global economy, when we speak about providing opportunities to individual Canadians who have previously been shut out of a system that did not bring everyone in, this legislation really brings about positive change to students' lives.

Mr. John Murphy (Annapolis Valley—Hants): Madam Speaker, I am pleased this morning to have the opportunity to speak on this very important bill. I commend the parliamentary secretary for his remarks and his fine ability in bringing forward many of the points. This bill will enhance our student loan program. I may well repeat some of these issues as they are important.

The issue of accessibility to student loans is one of particular interest to me. In my riding of Annapolis Valley—Hants I have the honour of representing students from Acadia University, Hants Community College and King's Tech Community College. I have also had the pleasure of teaching at Acadia University for the past 25 years.

I know from personal experience that providing greater accessibility to finances for students is one of the most important commitments we as a government can make. The purpose of the student assistance program is to enable people who wish to pursue higher education to do so without encountering restrictive financial barriers or incurring an unreasonably heavy burden of debt.

Over the past 30 years successive federal governments have played a leading role in financing post-secondary education. The federal commitment to the Canada student loans program has been crucial in the overall economic and social development of our country.

As the Minister of Human Resources Development stated in his remarks, Bill C-28 delivers on a commitment made by the government in our youth and learning strategy. I believe that this legislation will ensure that students assistance will better serve the needs of the present and future generations of students.

Our efforts to amend the current Canada student loans program are based on two key principles. First of all we realize that having a well educated, highly trained population is essential for our future economic and social well-being. Second, this bill reaffirms our commitment to ensure that the federal assistance is distributed in a fair and accessible manner. A person should not be denied access to higher education on the basis of not

having adequate financing. An increased investment in our student loans program is vital in order for our government to fulfil the main commitments it made in the red book. Whether we are discussing job creation, the information highway, the promotion of environmentally sustainable technology or the fostering of international trade agreements, our future economic success hinges on having a highly educated and well trained workforce.

(1145)

Canada cannot afford to maintain a system which excludes groups of people from full participation. When we deny access to social benefits such as higher education, we cheat our citizens and we deprive our country of future wealth.

The Canadian labour market and the world economy have changed and our social programs must also change as we move toward these challenges. When people become unemployed these days they may be out of work longer. Often they need retraining for a new kind of work. Higher education and training is one pathway out of the unemployment maze.

Education is one of the best guarantees anyone can have in terms of finding meaningful long term employment. Yet, despite the obvious spinoffs of a well educated population, long term economic stability, less reliance on a social safety net, a skilled labour pool and an increased tax base for government, the old student assistance program is not meeting the needs of a changing society.

While the Canada student loans program remains a major source of financial aid, student loans have been frozen since 1984. At the present time steadily increasing tuition fees are adversely affecting those who want access to higher education in Canada.

This problem is a particular concern in the province of Nova Scotia. Recently the student union executive at Acadia University forwarded to me information regarding education in Nova Scotia. I would like to share with my colleagues in the House some of the details of the information package.

At a time when the fishery and resource industries are in transition, we risk leaving a whole generation of young people behind. In many cases their parents cannot afford to help them finance post-secondary education. Furthermore, many communities can no longer offer stable employment which does not require a post-secondary credential.

Under the old program most students qualified for \$3,360 of assistance per year. Since the loan limits have been frozen tuition fees in Nova Scotia schools alone have risen by 11 per cent. This is 5 per cent higher than the national average. The call for substantially increased student loans, non-repayable grants for those with special needs and deferred grants to keep debt loads manageable have been unanimous. Hard pressed students and parents along with educators have long pushed for increases in these areas. The bill demonstrates that our government is listening.

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In order to address this serious problem we have put forth a series of concrete and rational solutions. These include the increasing of loan limits for students up to 57 per cent to \$165 per week, raising the ceiling on part time loans to \$4,000 from a current level of \$2,500 and allowing students to pay only the interest during their studies.

We have made a commitment to offer deferred grants to high need students in order to reduce their debt load to reasonable levels while expanding interest relief to low income borrowers experiencing temporary repayment problems. We are further promoting greater fairness and accessibility through the creation of a program of special opportunity grants to meet the education costs for students with disabilities, high need part time students and women in doctoral studies.

(1150)

I have already received positive feedback from students' organizations in my riding over the increases in student loans. It is clearly an initiative that is long overdue.

One area that I would like to touch on in my remaining time is that of the new financing arrangements proposed in this bill.

As a result of discussions with interest groups, our government realizes that we must find newer and more efficient methods of providing financing for student loans. For instance, the government will proceed with an income contingent repayment loan program on a trial basis. I understand that this type of program has been the subject of much debate and a certain amount of controversy.

In my discussions with various educational organizations I have learned that support for this program is mixed. Concerns mainly exist around the fear that over a period of time block funding through established programs funding will decline, thereby shifting a greater financial burden on to students who would then require further increases in their student loans.

As my colleagues and I have outlined today, our government recognizes the importance of having a well educated population. We also realize that the federal government has an opportune role to play in ensuring access to education and training. Our interest in the program reflects a greater commitment to making the entire student loans program more efficient and more effective in offering students income sensitive solutions to repaying loans. In no way does our willingness to look at these new methods of financing detract from this government's commitment to post-secondary education.

Private lenders have often been reluctant to lend funds to students with poor and non-existent credit histories. That is why our government will continue to have an important role to play in the area of student assistance.

Finally, the new financing arrangements will enable us to significantly reduce payments for default loans.

In closing, the changes we are proposing in this bill will enhance the program's objective. While we wish to update and modernize the program, we will fully share the goals of those established by the student loans programs: a strong and prosperous Canada, a country where everyone can make a contribution.

I believe that the implementation of this bill will help greatly as we attempt to achieve these objectives.

[Translation]

Mr. Gérard Asselin (Charlevoix): Madam Speaker, further to what was said by the Liberal member on Bill C-28, I welcome this opportunity to make a few comments, which will be followed by a question for the hon. member who just made his speech on Bill C-28.

This morning, I listened to the Minister of Human Resources Development discussing Bill C-28, the new legislation to help students. Well, it is about time. It is about time the government improved the system to help students who are studying away from home and students who are doing postgraduate work. But unfortunately, in the last budget brought down by the Minister of Finance, with its projected deficit of \$39.7 billion, and I say projected, because unless there is some degree of economic growth and job recovery in the near future, I think the deficit will be well over \$39.7 billion.

My point is this. I would like to remind the hon. member that in his last budget, the Minister of Finance announced a \$7.5 billion cut in social programs, spread over the next three years, and this will have an impact on social programs. For instance, the government is talking about programs to keep students from dropping out of school and to help them go on to university, which means some students will have to leave home, because not all municipalities have a CEGEP or university.

(1155)

Obviously the minister's bill will get students even deeper in debt. They will have easier access to loans and bursaries, and while they are still taking their courses they will only have to pay back the interest. Today, if you want to get a bachelor's degree, it takes at least three years of CEGEP, often away from home, and four or five years of university. It all adds up every year, and not all expenses are eligible for the program. I am thinking of accommodation, transportation costs, food and

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clothing, all of which are not necessarily eligible for the program. Here again, the parents must foot the bill.

In a previous speech on taxation, I asked the government to introduce some income tax measures to help parents who indirectly subsidize their children and pay for the education of those who go to school away from home. A person who lives in Charlevoix, Baie-Comeau, Baie Saint-Paul, or la Malbaie and sends his children to Quebec City or Montreal, or even farther away, spends a minimum of \$8,000 to \$10,000 annually on transportation, accommodation, food and clothing. I would suggest that the government make it possible for the main earner in a family where a child is sent to school away from home to deduct part of the cost involved from his income tax.

[English]

Mr. Murphy: Thank you, Madam Speaker. I thank the member for his non-question. I know he was trying to get where he was trying to get from.

I believe the program that we are putting forward combines three things. It combines our whole program, not just the educational program here. Deficit cutting, economic development and the other aspect of our total program in the red book talk about education and getting a better educated society to meet the growing economic development that we say is going to happen in this country and I believe will happen.

We cannot take on too much of the responsibilities that he is talking about because we do not want to increase that debt that he and we are concerned about. I think we have made a fair program that will access the availability for all students.

[Translation]

Mr. Gaston Péloquin (Brome—Missisquoi): Madam Speaker, it is a real pleasure to have this opportunity to participate in this debate on Bill C-28 to implement reforms to the Canada Student Loans Program. In all conscience, I cannot condone this new attack of the federal government on provincial areas of responsibility.

I am a teacher by profession and I am familiar with this kind of manipulation the federal government has been exercising in Quebec for so long. It is imposing national standards while knowing full well that they do not meet the specific needs of Quebec. We are wasting a great deal of time harmonizing curriculums, again at the expense of the students.

(1200)

Since the beginning of this 35th Parliament, the Liberal government has been showing puffing self-centredness in granting its ministers broader and broader discretionary power. Just a little while ago, members of the Official Opposition vehemently condemned provisions of Bill C-22 giving the minister the power to compensate friends of the Liberal Party of Canada

following the cancellation of the sale of Pearson International Airport in Toronto. It seems that the government did not get the message the first time around, given it is caught scheming again to manipulate power. Once again, unreasonable powers are being granted to a minister.

In my speech before the House on the cancellation of the Pearson Airport contract, I compared Bill C-22 to a scorpion. This government initiative appeared harmless enough until the Bloc Québécois uncovered the government's true intentions. The venom of the beast was skilfully stored in a tiny little clause which granted the minister excessive powers to compensate as he considered appropriate companies and investors with close ties to the Liberal Party. Charles Bronfman and his buddies had just seen major profits slip through their fingers, and the Liberal Party could not let such generous contributors to its election fund suffer.

Bill C-28 falls into the same category. It is as poisonous as Bill C-22 in that it insidiously gives outrageous powers to a minister. However, it goes much further in its obscene attempt to pervert provincial education systems, particularly in Quebec.

The federal government simply does not have the courage to admit what it is doing openly. It prefers to attack in a roundabout way the integrity of provincial education systems. It shamelessly exploits an already difficult aspect of student life, that is the loans and bursary system. Once again, the end justifies the means. Regrettably, this saying is well known by all Liberal governments worthy of the name.

Several provisions clearly demonstrate the pernicious nature of this bill. Allow me to quote a few excerpts from clause 3 which states the following:

3. (1) For the purposes of this Act, the Minister may—designate for a province (a) an appropriate authority, which authority may designate as designated educational institutions any institutions of learning—that offer courses at a post-secondary school level—;

One question immediately springs to mind: What does the legislator mean when he speaks of "appropriate authority"? To what or to whom was he referring? Again, we are confronted with the same old expression, one which I would readily qualify as diabolical, namely the infamous ministerial discretion. There is nothing more dangerous than putting too much power in the hands of one individual. I know what I am talking about, having spent over two years in Haiti working as a teacher and school principal. I know very well the damage these discretionary ministerial decisions can do to an education system.

Our concern for economy and efficiency must not make us forget principles as fundamental as the transparency and democratic integrity of the entire decision-making process. But what are this government's real intentions in giving such powers to the minister? The government's allegations in this respect sound a little false. A May 9 press release from the office of the Minister of Human Resources Development states that the bill

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will allow the government to enter into agreements with the provinces to rationalize the financing and implementation of student assistance programs.

(1205)

The press release goes on to say that this initiative shows how this government prioritizes public spending to better serve Canadians and promote the rational use of public funds.

All these arguments sound a lot more like nice excuses invented by the Liberal government to interfere even more deeply in this area of provincial jurisdiction.

The Canadian Constitution is especially clear on this. Sections 92 and 93 of the British North America Act clearly specify that education comes under the exclusive jurisdiction of the provinces. I urge the members opposite to refer to this section often in order to benefit from one of the few clear and non-ambiguous provisions of the Canadian Constitution.

This is quite an unusual phenomenon, especially since this provision is strictly in favour of the provinces. However, the federal government does not see it that way and does not seem to care at all about the provisions of its own Constitution. In fact, it has never hesitated to invade areas of provincial jurisdiction and the Liberals hold most of the records in this regard, unfortunately. They are indeed past masters in the art of always surrounding their usurping machinations with high-sounding rhetoric, thus creating the illusion that the federal government is acting with noble intentions.

In fact, we have the feeling that the present Prime Minister is only perpetuating the invasive doctrine of his mentor, who left us the constitutional mess that we are in today, the memorable Right Hon. Pierre Elliott Trudeau.

In this case, the minister can conclude agreements with financial institutions for the new Canadian student loans program. Negotiations have already begun with the Royal Bank of Canada, among others.

Do you see the absurdity of the situation, Madam Speaker? The Royal Bank made itself ridiculous in the 1992 referendum by predicting a financial disaster for Canada if the "no" side won. This same Royal Bank would be made responsible for administering the federal student loans program. How can the Liberals seriously think that Quebec could be interested in a project which is so clearly intent on domination?

However, the very prestigious Toronto daily *Globe and Mail* devoted the front page of its May 20 edition to constitutional power sharing between the federal and provincial governments, from a specifically Quebec point of view. In that issue, the *Globe and Mail* gave us the results of a Léger & Léger poll on how Quebecers see a fair distribution of powers between Quebec and Ottawa. It is important to mention that this is not an internal

report by the Saint-Jean-Baptiste Society or the movement for a French Quebec.

The figures which I am about to give come from a poll ordered by what is probably the most federalist daily newspaper in the country. So this is what the *Globe and Mail* reported last Friday following a survey of 1,000 Quebec taxpayers. Only 10.9 per cent of those questioned think that the federal government administers public funds better than the provincial government.

(1210)

A majority of people would prefer to see Quebec, rather than the federal government, have full power regarding issues such as manpower training, health, justice, energy, the environment, etc. In fact, 62.1 per cent of respondents feel that education must fall under exclusive provincial jurisdiction. The results of this survey are very telling. People are well aware that the federal government has absolutely no business in a field of jurisdiction as important as education is for Quebec's socio-cultural development.

They are also well aware that national English Canadian standards are not compatible with the specific needs of Quebec's education system. Any federal interference in the field of education constitutes an attack on our cultural integrity. I am concerned by the fact that these national standards will be set by English Canada, considering that it did not even recognize the mere principle of a distinct society in Quebec.

I have spent close to 30 years as a teacher and my experience can help shed some light on the issue being debated today. All stakeholders in Quebec are currently holding consultations to implement a series of reforms to improve our education system. We certainly do not need federal involvement to complete this delicate exercise which is so important for Quebec to blossom out as a nation. In fact, Quebecers have clearly said so in the *Globe and Mail* survey, and I am proud to act as a spokesperson and report this display of collective insight.

I have seen a lot of things and I feel it is my duty to openly condemn this latest attempt by the federal government to interfere in a field of exclusive provincial jurisdiction. In doing so, I speak on behalf of all my former colleagues who still work in the education sector. I also speak on behalf of all those who voted for me last October 25 and asked me to defend Quebec's interests as best as I can. I also speak on behalf of all students attending a school, a college, a CEGEP or a university. But, mainly, I speak for future generations, who certainly deserve better than what the federal government is proposing with its Bill C-28.

I would have liked to conclude by giving an outline of this legislation, but it is absolutely impossible and the reason is very simple: most of the provisions contained in Bill C-28 will be implemented through regulations to be made public later. When exactly will that be? It is hard to say since that, too, I imagine, will be subject to a discretionary decision from the minister.

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Out of respect for the public, it would be in the interest of this Liberal government, which has been stressing the virtues of integrity and transparency for months, to take a serious look at these nice principles before tabling a bill in this House. I therefore ask the government to be a little more honest and frank with Quebecers and Canadians. In this bill, too many measures will be taken through regulations. Why will the minister not table at least a draft of these future regulations?

The minister responsible also gives himself way too much power with this legislation. Why is the government trying to muzzle opposition members by granting excessive discretionary powers to the minister? Bill C-28 seems to be an attempt to hide from us important elements and the government is doing its best to ensure that no light is shed on this issue. I remain convinced that if the Liberal government is going to the trouble of playing hide-and-seek with its legislation, it is because its intentions may not be as noble as it claims.

Quebecers are not as uneducated as the federal government seems to think.

(1215)

Those awful separatists are not the only ones who are concerned about the integrity of our education system. We saw an instance of this today in the newspaper *La voix de l'Est*, where Valère Audy, a highly federalist editorial writer, made some comments that were particularly relevant to today's debate. I will quote what he said, since it is a clear indictment of the federal government's ulterior motives in all areas connected with education.

This is what Mr. Audy had to say: "Education is already a provincial matter, and Quebec does not intend to relinquish any part of that jurisdiction, but it must be careful because the federal government is constantly trying to encroach on that area".

This comment reflects how important it is for Quebec to maintain its jurisdiction over primary, secondary and post-secondary education.

The carrot concept does not work any more in Quebec. The federal government may think that when they see a red maple leaf at the bottom of a cheque from the Royal Bank, Quebec students will become ardent federalists and spend the rest of their lives thanking their federal benefactor. It would hardly be in character for Quebecers, but it would not surprise me if the Liberal Party of Canada were to make that assumption.

[English]

Mr. John Murphy (Annapolis Valley—Hants): Madam Speaker, I take great exception to the remarks of the member

across the way. He used language to suggest that the government was devious and underhanded. If the member does not agree with the federal government's being involved in training programs, what is new? Let us call a spade a spade. Let us not use deceptive language to try to put down someone else because we hold a different view. I find that very difficult to accept. We are working as a House of Commons, as a body, to try to pursue a better Canada for all Canadians.

I take note that the member did not touch on the bill; he had another agenda. I have a question to put to him. Does he or his party find anything worthwhile in the bill? Or, is he only interested in the issue he talked about, that is Quebec and Quebec independence? I would like the hon. member to respond.

[Translation]

Mr. Péloquin: Madam Speaker, I just want to say that as long as the federal government tries to intrude in jurisdictions that are strictly provincial, I will never be able to accept, I will never be able to vote in favour of this legislation. If the other provinces in Canada are satisfied and can live with this because it suits them and because it is what anglophones want, that is fine. But the hon. member seems to forget that Quebec is French and that Quebec has very specific needs that relate to its culture and its language.

All things considered, the federal government has no business intruding in a matter under provincial jurisdiction, and that is why I cannot accept the bill as it applies to all of Canada.

Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade): Madam Speaker, first of all, I would like to congratulate my colleague, the Minister of Human Resources Development. He has introduced an extremely progressive bill, one that is very important for young Canadians because, Madam Speaker, as you know this bill will rejuvenate legislation which was left untouched by the former Conservative government for ten years.

(1220)

One of the most important provisions of this bill is the proposed increase in student assistance of 57 per cent per year. Students across Canada, whether they live in Quebec, Alberta or another province, will be able to benefit from a 57 per cent increase in financial assistance.

As for the question raised earlier by my colleague from the Bloc Québécois concerning provincial deductions, I would point out to him that this bill gives provincial governments the choice of opting out. As my hon. colleague knows, the province of Quebec and the Northwest Territories have already exercised their right to opt out of the existing legislation. The federal government reimburses the equivalent of \$72 million to them.

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Therefore, as far as the question of provincial jurisdiction is concerned, the argument really does not wash.

[*English*]

We have to move away from jurisdictional bickering and focus on the whole issue before us. The proposal by the minister calls for an increase in grants and student loans. We have to commend the minister for coming forward with the proposal and for amending an act which has not been touched for over 10 years. It goes back 20 or 25 years. It is an archaic act that does not reflect the reality of today.

My colleague questioned why the federal government was trying to infringe on provincial jurisdiction. My answer is quite frank. In Canada there are over 300,000 people between the ages of 15 and 24 who are unemployed. These figures do not include people who have given up looking for work. They live in the Atlantic provinces, Quebec and elsewhere across the country. We have reason to be concerned.

Also across Canada on an annual basis in excess of 100,000 students are dropping out. We have reason to be concerned. It does not matter which province or territory we come from. Over 33 per cent of our youth are dropping out before they finish high school. We have reason to be concerned. It does not matter which province or which territory we come from.

In excess of 38 per cent of Canadians are considered to be functionally illiterate or have difficulty reading or writing. We have reason to be concerned. It does not matter which territory or which province we come from, especially when the cost of illiteracy is in excess of \$10 billion to the economy as a whole. I would suggest colleagues on both sides of the House should be very concerned about it.

The minister is to be commended when he proposes amendments to the act and comes forward with tangible propositions to deal with a situation of national proportion, a situation which I personally call a national crisis.

My colleague from St. Boniface worked very hard along with other colleagues on this side of the House to reform the act, to make a tangible proposition so that we would have an act to reflect the reality of the nineties. My colleagues and the minister must be commended for consulting people from all walks of life, special interest groups, educational institutions and so on, to bring forward an act to reflect the realities of the nineties. They must be commended.

(1225)

If there are complaints about certain aspects of the act let us put them on the table in the form of amendments. It is the responsibility of government to look at those amendments and to deal with them in a positive and fair way.

I cannot for the life of me give up on the issue of education in Canada. If we look at the needs of the nation, at the way we are going, at the international situation and at the national situation, we cannot help but say we must do something now. Sixty-five per cent of all jobs in the 1990s and beyond the year 2000 will require at least a grade 13 education if not more.

We can look at the figures to find out that between the ages of 15 and 24 years only 9.8 per cent of our youth actually have university degrees. If we look at the same figures between the ages of 15 and 24 years only 17.7 per cent of them have high school diplomas. This is a national crisis that needs a national plan or a national strategy.

The Minister of Human Resources Development must be commended for beginning the dialogue. Ultimately we should have national norms or national standards across Canada for education with the provinces having the right to opt out if they so choose. The minister has proposed a provision for provinces to opt out. That is fine. There is nothing wrong with that provided they fulfil the commitment to quality education. Education is already under the jurisdiction of provincial governments. There is no need to be nervous about the issue.

The federal government is not trying to grab more responsibilities from provincial governments. It is the opposite. We are saying and putting in writing that education is a provincial responsibility. We want to work with the provinces. We want to enter into dialogue with the provinces to progress with the agenda, not block the wheels of the car that so far has not been moving as fast as we would like it to move.

There should be national standards across Canada provided by the provinces in the core subjects of mathematics, grammar and the sciences. There should be a national strategy for the training, recruitment and retention of well qualified and motivated teachers at all levels of education: primary, secondary and university.

Also educators should have regular professional development programs made available to them to be kept informed of new training methods, technology and developments in the subjects they teach, in particular the core subjects we spoke about. There should be closer links among the different elements of the educational system, industry and employers, the co-operative programs the minister included in his proposal and spoke about over and over again.

A colleague in the opposition mentioned that many people in the province of Quebec did not have as much access to education as they should have had. I agree with him totally. It is a shame that we still have disparity in terms of access to education and the educational system as a whole across the land. For example, in Newfoundland we find the illiteracy rate is rampant at 40 per cent to 45 per cent. That is a national shame that must be addressed. In Quebec the figure improves a bit but is still not at an acceptable standard. Ontario and the western provinces show

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more improvement in terms of the illiteracy level, but it is still not satisfactory. Everybody should be working together.

(1230)

Nowadays when you finish high school in British Columbia do you think you can transfer your credits to a high school in Ottawa, in Quebec or in Newfoundland?—no. They do not recognize them. There are no norms, no standards, nothing. The educational system is in chaos.

Madam Speaker, I see you signalling me. I hope somebody will ask me a question. A long-winded debate is raging about jurisdiction when the debate should be about responsibility of the different levels of government to deliver a quality service. The minister is to be commended.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Madam Speaker, I am to understand from what the hon. member who just spoke said that the bill before us this morning is meant as some kind of compensation or at least something to remedy the federal government's inability to create jobs? In other words, are they saying: "Seeing that we are unable to create jobs, let us keep students in school longer and let them get deeper and deeper into debt just so that they do not make statistics worse"? Is that what this bill is about? That is what I gathered from the hon. member's remarks.

Regarding national standards, I think that English Canada can develop its own, and it is not my place to intervene in that. In the case of Quebec however, it is a different story. I am an elected representative of Quebec and the standards this gentleman imposes on the rest of Canada leave me rather cold, but when he wants to impose standards upon Quebec in an area of exclusive provincial jurisdiction, no way!

So, this was my question: Does the bill before us confirm that the government, being unable or incapable of creating jobs at the present time, will cause students to stay in school indeterminately, perhaps causing further indebtedness, just to defer the problem a few years? Also, in view of the present lack of skilled labour in various trades in Canada, does this bill on student loans apply to these trades as well? I would like a brief comment on that.

Mr. Harb: Madam Speaker, I would recommend that the hon. member read the bill, because it does deal with the issue of access to education for young Canadians. Ultimately, the purpose of the bill is to facilitate access to the education system for young Canadians. This is not a bill to resolve all social and economic problems in Canada, but I can tell you that it is a very progressive step toward resolving the present economic crisis in

Canada. This is a most progressive proposal. All my hon. colleague has to do is ask university students in his area; they will tell him that Canadian students are living under the poverty line.

I have spoken with several students and I was myself a student. I remember how many times a week we had hot-dogs and macaroni. I am not saying that it is not good food, but the point is that students live under the poverty line.

I think of all those dropping out these days. A great many students are quitting school because they cannot afford the costs involved. This bill will help them by providing them access to education.

If my hon. colleague does a little research, he will find that at the university level, nearly 50 per cent of students do not complete their degree because, unfortunately, they have to work to support themselves. That is why what the minister is proposing is very important for Canadian students. I hope I have answered the hon. member's question.

(1235)

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Madam Speaker, I welcome the opportunity to take part in this debate today. In fact, I have nothing but praise for the efforts of the minister who is responsible for this initiative. There is nothing political about this bill. We are trying to respond to the needs of Canadian students who wish to continue their education, and that includes students from Quebec.

This bill has a built-in flexibility which allows people from Quebec, the Northwest Territories or anywhere else to either participate or opt out. So why make this bill a political issue instead of seeing it as a bill that deals with a number of very important issues? I do not understand this attitude. I wish hon. members opposite would discuss specific points and tell us how to improve the proposed legislation, and I wish they would drop the political references. Look at the bill and tell us how you would improve it, if you have any useful suggestions.

As you may recall, I was in the House during the last Parliament, and the hon. member who just made the presentation was there, and many times he and I and a number of other members condemned the Conservative government's failure to act on the student loans issue. There were many problems, and they did not deal with any of them. This government has listened and reacted very positively.

[*English*]

We heard and we acted, and we acted in an extremely positive way.

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What did we do? We need to look at it from two perspectives: the perspective of students generally today and what government has undertaken to try to make life more appealing, more accommodating for them as they pursue their education or work in the workforce; and the specific item in front of us today, the legislation with respect to student aid.

What have we done generally for students, in what kinds of situations do they find themselves today? I am referring to the number of initiatives that the government has recently announced. Let me briefly review them because I want to spend most of my time on the specific elements of the legislation.

[*Translation*]

As you will recall, there were two components. The first was Youth Employment. It covered a number of programs that encouraged youth employment, including Youth Service Canada, which was an attempt to ensure that young people would be able to acquire job experience that would make it easier for them to enter the labour market. We also have youth internship programs to help young people acquire the training they need to find good, well-paying jobs that will contribute to Canada's prosperity.

Within the same component we had summer employment programs to help young people find summer jobs and acquire job experience relevant to their future education or to the skills they will need in a full-time job. As you will recall, there was also a second component.

The second component was called: Learning Strategy. This component embraced a number of initiatives, including the reform of the Canada Student Loans Program.

(1240)

What I want to discuss in depth in a little while is that we also had initiatives on learning. They were mostly aimed at setting national objectives whenever possible, not to supervise or restrict any province or territory but to try to agree so that the young and the not-so-young could work in any province or territory.

We also had the partnership-based Stay-in-School Program to reduce the drop-out rate.

These are important initiatives.

[*English*]

These are important initiatives for young Canadians. I believe that most fair minded people would say that there has been a tremendous effort on the part of the government and a number of the ministers, including the minister responsible, to respond to the needs of youth, whether it be for educational or work purposes.

Let me talk briefly about some of the more important components of the Canada Student Financial Assistance Act. Most people recognize that it increases the loan limits by 57 per cent,

\$265 a week, which is still not a fortune. One still needs to budget very carefully. It raises the ceiling on part time loans to \$4,000 from \$2,500. This was a serious weakness in the last program. These are two problems that were really very serious.

It creates a national program of special opportunity grants for special target groups; students with disabilities, high need part time students, women, and doctoral studies. We recognize that these groups are under represented. We need to make a special effort to make sure they are represented.

It establishes a regionally sensitive approach to assessing student need. This was a need and continues to be a need. I am delighted that we have responded to it.

The bill also addresses the whole question of the repayment burden on recent graduates. This will be alleviated by offering deferred grants and by expanding interest relief. These measures make sure that students who have debts can pay them back in a way that responds to their unique situations.

It also addresses the whole issue of consistency and fairness. This would be reinforced by revising eligibility criteria and by using a common approach to the decimation of educational institutions. These were great weaknesses and they have been addressed. That is not all.

It goes on to address new financing arrangements for student loans based on lender risk sharing and access to loans and income sensitive terms and repayment. This will also reduce costs to taxpayers.

For some members the opting out provision is very important. It is maintained. I find this totally supportive, sensible and sensitive. It also addresses the question of provisions which would be made to harmonize federal and provincial student assistance programs by streamlining financing and administration. It also addresses new approaches to providing aid and is prepared to explore income contingency repayment of loans. In fact, there will be some pilot projects on this.

[*Translation*]

As I just mentioned, this bill raises many questions which should have been addressed a long time ago. Unfortunately, it has not been done. I am not saying that this bill is perfect. After all, what bill ever is?

But I believe that if we look at this bill, at the situation students now find themselves in, at our labour-force initiatives, at the various programs put in place by this government; if we consider this bill in the light of today's situation; if we recognize that there was not enough money for students to continue their education, that there were major weaknesses with regard to part-time students, that we were often insensitive to the problems of students who had trouble repaying their loans; if we recognize all this, Madam Speaker, I believe we will agree that this commendable initiative should be encouraged and supported.

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(1245)

[English]

I hoped that we would take the politics out of this bill. I hoped that people would look at it for what it is, a serious and comprehensive attempt to respond to students and their needs across the nation.

If members have specific suggestions to make in order to improve this, we welcome them.

Mr. Garry Breitkreuz (Yorkton—Melville): Madam Speaker, this bill is of personal interest to me. Before getting into my present line of work I was a teacher.

I graduated from the University of Saskatchewan. Two of my daughters are presently attending the university and I have two more at home who also plan on going to the university. You can see I have a deep personal interest and understanding of university and for how much an education costs. I know that 25 years ago the cost was high and I know what it costs today. I am deeply concerned about the cost in the future.

I have spent much of my working life preparing students for university. Some of them have chosen to go directly from high school into the work world, but some have gone to other post-secondary institutions, including universities.

Since statistics consistently show that individuals with university degrees have considerably larger lifetime incomes, I tried my best to convince as many of my students as possible to go to university. I often explained to them that for every day they spent in high school they could expect to earn \$200 extra in their lifetime. In that way, by getting that higher education I hoped it would provide some incentive for them to continue on with what they were studying. Unfortunately not all of my students wanted to go; they just could not afford it.

Even though this bill will increase the amount of loan money available to students by 57 per cent, the fact remains that the discriminatory aspects of the Canada student loans program still remain.

This bill, as in the past, will require students and their families to take a means test. This means those students whose parents are well off are ineligible for student loans. Even if those students receive no assistance from their parents and have to go it alone, they are ineligible.

Low income taxpayers are especially discriminated against as they are less apt to send their children to university. Yet their taxes are used to pay for post-secondary education, including the government's share of the student loans program which is \$479 million this year alone.

By 1990 two-thirds of the adult population did not possess post-secondary credentials. This means that two-thirds of the people are helping to pay the post-secondary education costs of

the other third who, as stated before, earn considerably higher incomes. We have the poor subsidizing the rich. To put things in plain English, this bill will perpetuate a problem which has existed since 1964. We always have had this kind of thing, the poor subsidizing the rich for their education.

The most serious area of discrimination is in the repayment of student loans which we find onerous and rigid. The current program discriminates against the poor and unemployed by forcing them to pay back their loans at the same level as those who are gainfully employed and/or those students who end up earning far more money.

The repayment plan is inflexible because it forces former students to begin repaying their loans six or eight months after graduation, irrespective of the borrower's income. This is not only unfair but it also results in unacceptable default rates on the loans and increased collection costs, all of which cost taxpayers more and more money.

Reformers maintain that the government cannot just look at one part of the problem of funding for post-secondary education, namely student loans, without looking at the problem of total government support for post-secondary education in its entirety.

(1250)

Total university enrolment has grown by 42 per cent between 1980 and 1991. In 1980 the government invested an average of \$7,700 per full time student to cover university operating expenses. By 1992 this figure had fallen in constant dollar terms to under \$6,700, a 13.5 per cent drop. Some provinces have recently announced some absolute cuts in operating grants for universities.

At a time when we need to become more competitive in the international community, when we need to upgrade our skills, when we have to exploit those areas at which we are better at providing well trained people for the workforce, it is not the time to be cutting back on university funding. In fact we should be doing the opposite. We should be trying to take advantage of our global economy.

Suffice it to say with higher budget deficits, with the increasing debt load we are experiencing and a higher and higher percentage of tax revenue needed just to pay the interest on the debt, the budget squeeze for our universities is going to get worse before it gets better.

We need to decide what is important in this country. Higher education is important and we need to preserve that. We need to preserve health care. There are certain priorities we must maintain. We cannot do it all for everyone. This government has to decide what its priorities are and higher education should be one of those.

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With declining income from federal and provincial governments, universities have sought other sources of revenue. While revenues from gifts and donations and non-government grants increased an average of 42 per cent during the 1980s, they still account for less than 1 per cent of the general operating income. All of those areas account for less than 1 per cent.

Tuition fees have played a considerably more important role in helping to offset the decline in government revenue. Tuition fees have increased 60 per cent since 1980. In 1980 tuition fees accounted for 13 per cent of general operating revenue for universities and in 1992 they were a source of 22 per cent, a substantial increase.

In 1991 the Smith Commission of Inquiry on Canadian University Education concluded: "A preoccupation with underfunding pervades every campus. The effect is extremely negative". It concluded that: "There is room for increasing tuition fees, provided there is an effective proper student assistance plan"—and here is the key phrase—"with automatic income contingent repayment".

The previous speaker asked for positive suggestions. We are going to give him one of those positive suggestions at this time.

What I would like to explore in more detail is this whole concept of student loans with a built in, automatic income contingent repayment plan. The Reform Party supports a move in this direction for three basic reasons: there would be a reduced cost to the taxpayer if we implemented this; there would be greater flexibility and fairness for students; and the maintenance of high quality educational services would take place. Those are three very strong arguments as to why we should consider income contingent loans.

The reduced cost to the taxpayer is really an important one at this time because we cannot load down our taxpayers with more debt. There is also greater flexibility and greater fairness for our students. They would have more choices. They would have access to funds which they previously did not have. It would allow them to get into fields they would like to pursue. With this increased, or this change in funding, the educational institutions would also have more flexibility.

(1255)

In fact on April 29, Motion No. 291 was introduced by the leader of the Reform Party which asked the government to consider amending the Canada Student Loans Act to include an income contingent repayment system for the very reasons I have just mentioned. The hon. member for Medicine Hat outlined some of the details of how an automatic income contingent repayment plan would work but I think it bears repeating.

Simply put, an income contingent loan repayment scheme for post-secondary education would allow students to pay back their student loans over a period of time based on their annual income and using the income tax machinery to monitor and collect student loans. That is already in place.

Here in a nutshell is how it would work. All students would be eligible for a student loan. The means test would be eliminated. Upon graduation a student would begin to pay back their student loan. The loan repayment plan would be linked to the student's earnings or the ability to pay. Precisely how much a former student paid back would vary from year to year, depending on his or her salary level. That seems to me to be a very fair way to collect the money. The specific amount would be set as a percentage of income. It would be paid back through the income tax system. We would not have to set up a new collection system. If a person's income did not reach a specified amount, the payment would be deferred until their earnings came up.

This repayment system depends entirely on the supply of accurate income statements long after the individual has left the institution of higher learning. Revenue Canada would have to supply the necessary data automatically. It could be done cheaply through the whole income tax system and through statements those people would supply. This would necessitate the recording of student borrowers with the tax department of course, and the inclusion of social insurance numbers on student loan forms.

With the full details of each student including future incomes and movement within Canada, the income tax authorities would act as the primary monitor of subsequent loan collections. Income tax is already doing this now in the case of defaults on student loans when they apply tax refunds toward the student loan debt. That is a positive suggestion and I hope the government is listening.

Income contingent repayment would save taxpayers money. It would save money by drastically reducing the number of defaulted loans. It would save money between the simple interest paid by student borrowers and the accumulated or compound interest paid by the government. It would dramatically reduce the collection fees on defaulted loans.

Between 1985 and 1990, \$44 million in student loans were written off for a total write-off proportion of nearly 5 per cent. The value of the defaults accumulated on the federal books since 1984 is rapidly approaching \$1 billion. Collection agencies are now being hired to collect the money which in itself involves substantial costs.

With the total value of default now over \$900 million the potential earnings for the collection agencies is estimated to range from \$135 million to \$170 million. Those are the fees just to collect these. Income contingent repayment could be im-

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plemented immediately at far less cost, thereby improving the collection success rate with less frustration and aggravation for students and for government.

In 1993 the Association for Universities and Colleges of Canada developed a proposal called "A New Student Assistance Plan" based on a concept of income contingent repayment. It recently made a presentation to the Standing Committee on Human Resources Development as part of the phase one consultations the minister has on his review of social programs.

The materials provided by the association list the benefits of its proposed student loan income contingent plan. I want to go through three areas of benefits that it lists. I hope the government is listening because this is a key group that has put these forth.

First of all, there are the benefits for students. Students would have increased accessibility and increased availability. It would not depend on many factors that are now put into this whole system. They would have increased access. It would be for all students. That is a very key advantage.

(1300)

Second, there would be a more fair method of repayment. The student loan would emphasize the student's ability to pay. It would not automatically come into effect six or eight months after they graduated from university. It would depend on their income level. That is a much more fair method.

It would provide student assistance to individuals who do not currently qualify for means tested student assistance. It would be available for everyone. It would provide improved benefits for students in the face of rising educational costs. That is a reality. We must face the fact that costs are increasing.

The second area explained as being of benefit is a benefit for the universities. It would allow universities more flexibility in setting tuition fees, including differential fees by programs. For example, someone in medicine who could expect a higher return after graduation could have higher tuition fees. Another benefit for the university is that it would assist universities in maintaining accessibility in the face of declining government funding. Government funding continues to go down. It would help the universities in that area. It would help universities to meet their mission of providing high quality education for all qualified students.

Of course the third broad area of benefit would be the benefit for government. It explains it this way. It would provide an avenue for the federal government to continue to invest in higher education and to support equality of opportunity across Canada.

Second, it would largely eliminate the problem of loan defaults since students repay only when they reach a specified income level. Right now 70 per cent of loan defaults occur within 12 to 18 months of the students completing their studies. It would address that problem.

It would eliminate the need for and the cost of collection agencies to collect delinquent student loans by using the income tax system to collect loan payments.

It would also be of benefit to government in that it would help the government meet its objectives of encouraging life long learning.

Finally, it would permit more fairness in the way governments provide student assistance.

There are those who oppose income contingent repayment, but I do not think their arguments hold up under serious examination. For example, the Canadian Association of University Teachers made a submission to the Standing Committee on Human Resources Development. It dismissed income contingent repayment without even attempting to compare it to the status quo. It said that under income contingent repayment, the total cost of education will be greatest for those who take the longest time to pay and that wealthy students will pay the least. It failed to consider that both of these statements are also true under the present system.

Another complaint is that income contingent repayment would serve as a disincentive for the federal and provincial governments to maintain their grant levels once tuition fees begin to rise. This assertion completely ignores the reality of the past 15 years during which students have assumed a greater and greater share of their education costs as a result of financial constraints imposed by both the federal and provincial governments on these institutions. That is reality. That is the status quo.

These increases in tuition have taken place in the absence of a single income contingent repayment plan and for reasons which have nothing to do with student loan programs. With increasing enrolments the government deficit, debt crisis and declining financial support from both levels of government, it is obvious we cannot just bury our heads in the sand and hope that the money genie is going to appear and save our schools of higher education. Let us face reality.

The problem is serious and the problem has to be addressed now. This bill does not really address the problem. I call on the government to embark on a complete overhaul of the financial support system now serving post-secondary institutions and students.

(1305)

This government continues to tinker with programs. We need a complete overhaul. We cannot continue to just make small adjustments. I believe the federal government's established programs financing should be completely replaced with the voucher system as described by the hon. member for Medicine Hat. The student loans legislation should be amended as moved by the hon. member for Calgary Southwest to provide for automatic income contingent repayment. We do not need another pilot project, we need an income contingent repayment plan for students now.

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Mr. Ted McWhinney (Vancouver Quadra): Madam Speaker, one must congratulate the Minister of Human Resources Development on Bill C-28, an imaginative approach to updating and modernizing a measure that has been on the books for some years.

We work in an area of some constitutional doubt. That has existed since the immediate post-war period when Prime Minister St. Laurent and his successors ventured into the field of higher education in the knowledge that without a national presence, a national leadership, we might fall behind in the race to achieving and maintaining world standards.

That remains the situation today. There are limits to constitutional power. They necessarily condition what it is possible to do at the federal level in the field of higher education, although with imagination and some civil courage governments are doing their utmost in that area.

It is also important to remember that we live in the era of budgetary restraint now with us. There are limits to what you can do in any area without taking away from other priority areas.

What this legislation does is change something that has not been fundamentally changed in 30 years. It is very noticeable in terms of the financial provisions, the benefits available to students, which were frozen by the preceding government at 1984 levels. It is very much to be welcomed that the minister has taken the lead here with the substantial increase in the loan limits, a figure of 57 per cent, reflecting the growth in education costs borne by students over the intervening 10 years.

In fact, if you examine the projections for the next five years, the value of aid for students from the federal government would be \$6 billion, an increase of \$2.5 billion compared with the previous five years. That recognizes the commitments made by the Prime Minister during the election campaign to bring our standards of education in line with the best of the world community, that we would meet the standards of Japanese education, German education, education for society on the leading edge of technology. This is without derogating from the necessary provision which we all respect for the arts and other areas apart from the natural sciences.

Investing in students in higher educational institutions is an investment in Canada's future. The government is honouring its commitment made during the election campaign.

I think there is merit in examining the sensitiveness with which federal-provincial relations have been handled here. For provinces which for their own historic reasons, related perhaps to different views of the role of education, want to opt out of the program, provision is made for compensation so that the stu-

dents in those provinces can benefit from the increases in federal provisions.

The other measures in the bill relate to rationalization, streamlining and updating the legislative scheme in existence for the past 30 years, increasing the loan limits for full and part time students and special opportunity grants to meet exceptional education costs of students with disabilities, high need part time students and women in doctoral studies, and establishing objective but regionally sensitive approaches to assessing needs.

(1310)

The issue of repayment of student loans is one which all candidates in the last election who have institutions of higher education within their constituencies or who themselves have experienced education in higher institutions are aware of. It is a matter of extreme concern in a period where summer employment has largely dwindled away and where the economic opportunities and the times of the affluent continually expanding society are no longer there.

Many of us in the last few months have been concerned with approaching the minister or the officials in charge and arguing on a case by case basis the merits of flexibility and adjustment of the terms of student repayment of loans. I must report, although this has been a certain amount of work for my staff, that we have been delighted to assume the burden and that we have had a good success record.

This raises one of the issues which is always true for students of law and society. How much do you try to do by legislation? How much do you try to produce in your legislation an exhaustive code of many many pages? How much must you leave to administrative discretion with proper controls over the discretion to ensure that it is exercised with flexibility and compassion where that is needed?

I believe in amelioration of the conditions of repayment of these student loans. In particular I noted the repayment terms become income sensitive. Borrowers are able to choose between floating and fixed rates of interest based on lender to prime. I think these are measures from which we can take great encouragement.

I would suggest more flexibility in the timing period. There are ways of doing this administratively and, as I said, on a case by case basis. I and I am sure many other members on both sides of the House have experienced a warm response on the part of education officials when we raised the cases with them.

The importance of this is that all eligible students across Canada continue to have access to Canada student loans whether it is directly through the federal government or through their own provincial governments in the case of those provinces that

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have opted out or may wish to opt out in the future from the national plan.

The costs of the reform are controlled through development of a consistent method of assessing student need. This is being developed jointly with the provinces. The federal aid sharing approach is caught up with the larger inquiries now being made for harmonizing and improving federal-provincial relations and administrative machinery in the areas where the federal government makes grants-in-aid to the provinces.

On this particular aspect I think the government has already made considerable progress. What is here essentially is a program of updating, modernization, with more flexibility, more compassion, more understanding, if you wish, of student needs that is related to the realities that there are limits to federal power in the field of education. This government and preceding Liberal governments have done their best to interpret federal powers flexibly in the light of the higher policy needs.

There is also the recognition in a period of genuine budgetary restraint that if you grant in one area you cut in another. What is very impressive here is the high priority that this government gives to education. Higher education is the key to our future. It is the key to the job strategy at the beginning of the 21st century. Education that is put forward now trains people with the technology that is necessary to build our industrial recovery and expansion in the next century.

(1315)

Mr. Monte Solberg (Medicine Hat): Madam Speaker, during the election Liberal members talked a lot about allowing committees to have more power in Parliament.

One of the concerns with this bill actually comes from the Association of Universities and Community Colleges. It is worried that any agreement with the banks that would allow the banks to lend money and collect might be so restrictive that it would not allow income contingent repayments to come into being. It has been suggested that the standing committee might be the appropriate place for any agreement with the banks to be vetted.

I wonder if the hon. member would be willing to suggest to the minister that the standing committee would be the appropriate place to have the agreement with the banks reviewed and whether the government still holds to the commitment of empowering the committees to do that type of vetting.

Mr. McWhinney: I thank the hon. member for Medicine Hat for his thoughtful question.

The cases I was referring to—that I have handled personally in the last few months—in fact a species of income adjustment has been reached in the administrative disposition of the cases with flexible responses on the part of the administrators. Wheth-

er this should be generated into a general rule is a matter that could be referred to a House committee. I must say I am not familiar with the activities of the committee in charge of this bill, but it seems to me it would be a thoughtful and helpful suggestion to pass on to the committee. As I say it can be reached through administrative arrangement.

Members should not underestimate their ability in raising a case for their constituents with administrators to get an appropriate response. However a more general rule through a committee would be helpful.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I want to make a few comments and to commend the hon. member for Vancouver Quadra on a very thoughtful presentation.

My comments refer to my other colleague from Medicine Hat and I make them as chair of the Standing Committee on Human Resources Development which as he knows since he is a frequent attender to our committee is carrying out on behalf of the government an extensive consultation on Canada's social security system, including provisions which are being made by the Government of Canada to assist students. The whole student aid and student loans program come under the mandate that we have been given as a committee in connection with the social security review.

As well, it is to the Standing Committee on Human Resources Development that this legislation will be referred. I want to say by way of comment that I think the whole matter of income contingent repayment and other features of the student loan system fall very much within the purview of either of the mandates that the committee has in order to review that part of the work of the human resources development department.

Regardless of what the government proposes in terms of broader social security reform, the points that have been made by my colleague from Vancouver Quadra and by others on this side of the House as to the need to update the loan limits, to make the student loans provisions more flexible, to assist targeted groups that are under represented in the student population, such as women, persons with disabilities and others, and to present that package in a way that is fiscally responsible, has got to be a direction that we as Canadians have to go when it comes to assisting students to pursue higher education.

(1320)

I believe members on all sides of the House would agree with me that the key to Canada's economic prosperity in the future is a well educated workforce. The key to providing hope for our young people is to provide access to higher learning.

The Canada student loans program which languished and fell behind under the 10 years of the Tory administration needs to be brought up to date quickly and that is really what the Minister of Human Resources Development is doing with this legislation.

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Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, I am delighted to be taking part in this debate. I am particularly delighted to follow my colleague from Cape Breton Highlands—Canso who is an important part of the human resources team. I want to underline and echo the words that he spoke with regard to the updating of the Canada student loans program.

I represent the riding of Halifax. Within the boundaries of my riding are Dalhousie University, St. Mary's University, the Nova Scotia College of Art and Design, the Technical University of Nova Scotia and the University of King's College. We also have the Atlantic School of Theology and just outside my riding in Halifax West is Mount St. Vincent University. Halifax is very much a university city. Students in Halifax are very much a part of our culture, if you will, and they certainly are very important to our economy.

In my nearly six years as a member of Parliament one of the things I have been concerned about, particularly representing a university town in Atlantic Canada, and I have said this on many occasions previous in this House, is the fact that in Nova Scotia we have the highest tuitions, the lowest salaries for both faculty and administrative staff, and the oldest physical plants. However we still manage to provide probably, indeed not just probably, indubitably, the best university education that can be received in the country. Of course I include not just the universities in Halifax. I include St. Francis Xavier University, with a bow to my colleague from Cape Breton Highlands—Canso, Acadia University, the University College of Cape Breton and Université Sainte Anne at Pointe-de-l'Église.

We have gone a long time without an update to the Canada student loans program. Certainly over the last six years I have met frequently with students. They come to my office in Halifax, they come to my office here in Ottawa as part of their national lobbying process. My house is on the edge of the Dalhousie campus and I meet with students on a regular basis just doing my grocery shopping or walking around in my riding on the weekends.

One of the unfortunate hallmarks of the last several years has been the fact that university students have been very much afraid. Certainly in my riding of Halifax they have been afraid. Their tuition rates have risen enormously because of rising costs and because the Canada student loans program was not keeping up with their needs.

Add to that the problem with getting jobs, with trying to balance studies and part time jobs, and you have a fairly stressed out population among students. These young people worked hard but they saw problems everywhere they turned and they saw unfortunately in the past a government that was not very responsive.

In consequence I am absolutely delighted that this bill delivers on a commitment made by the government in its youth and learning strategy. That commitment was to improve student assistance to better serve the needs of present and future generations of students.

(1325)

We talk a great deal in Nova Scotia about the brain drain. Perhaps we can be pardoned for reiterating the statement but Nova Scotians have travelled right across this country. They serve in legislatures. They are on the faculties of universities. They are on the boards and in the management offices of large and small businesses. Many of these Nova Scotians who have fanned out across this great country of ours are a product of Nova Scotian education.

We are delighted to make this contribution to the national effort. We are proud of the daughters and sons of our province who go farther afield to make their futures. For a long time we have been concerned that this tremendous outpouring of the educated was going to be stifled because young Nova Scotians just were not going to be able to take advantage of the opportunities that our great universities give to them.

It is important to note that loan levels had been frozen for 10 years while tuition fees were rising at an alarming rate. It is important to note that this legislation sets the stage to modernize the whole Canada student loan program which has not been fundamentally changed in 30 years. This means effectively, while I hate to admit it, that prior to this bill the Canada student loan legislation was exactly the same for the students starting university last year as it was when I started university—perish the thought—30 years ago this September. I could say I was two but it would not be true. The need for change and the time for change clearly had come.

A number of us within the caucus, as we worked on the policy plans that led to the red book, had lobbied very long and very hard with the Minister of Finance, as he is now, and with Chaviva Hosek, who was then head of the research bureau and is now chief policy adviser to the Prime Minister, for changes. I am delighted to see that those changes have come about through the presentation of this bill.

What is particularly edifying about this legislation is the increasing of the loan limits for full and part time students and the providing of special opportunity grants. This is something that was long overdue. Special opportunity grants are in this bill to meet the exceptional education costs of students with disabilities, high need part time students and women in doctoral studies, and to establish an objective, regionally sensitive approach to assessing student need. I will address the last point very briefly by saying that life can be very different for a student in Nova Scotia than for a student in metropolitan Toronto and different again for a student in the prairies or in Vancouver. It is

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time that the Canada student loan recognized those regional differences.

I want to say that the special opportunity grants are a tremendous addition to the Canadian student loan program.

I attended as an undergraduate Mount St. Vincent University in Halifax where I later taught. I was fortunate enough to be a member of both the board of governors and the senate and I was also president of the national board of the alumni for Mount St. Vincent.

Mount St. Vincent has special programs for women. It has special programs for students with special needs. However for a long time those of us involved with Mount St. Vincent knew that it was necessary for the Canada student loans program to reflect and be sensitive to these particular needs.

I am particularly delighted that this is being looked at and taken care of in this bill. I sincerely hope that no one thinks that the moneys being expended through this legislation are a waste.

(1330)

I hope we will not hear that this investment in the future of Canadians, young Canadians, Canadians with special needs, Canadian women and so on, is something we should not be doing. The need to invest in our students, in the next generation, in those who are to carry on nation building and ensuring that this remains the greatest country on earth, is never a waste. I for one sincerely hope that no one in the House would suggest otherwise.

I conclude my remarks by congratulating the Minister of Human Resources Development for bringing forward the bill. The students of Canada, particularly the students of universities in my riding, will rejoice that the government has taken its duty to heart and has fulfilled another promise from the red book. It is taking to heart what is in the best interest of Canadians, particularly young Canadians, making it law and making sure that we as a government represent and put forward the very best.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I listened very carefully to the speech made by the hon. member, especially since she hails from the Maritimes. I would like to ask her a question about the decision to abolish the special 18-month deferral given to students who have graduated but have failed to find a job.

The previous legislation stipulated that any student who could not find work after graduation, something that happens often enough due to the current economic recovery situation, was given an 18-month deferral, which meant that the student could continue looking for some work without having to pay back his or her loan.

I wonder if the hon. member would be willing to suggest to her government to reinstate the deferral period in this bill, through an amendment, at committee stage or any other way, so that, given the economic situation, someone who is looking for work will not be penalized and thrown out in the streets merely because society cannot provide him or her with a job.

I am asking hon. members, and especially those from the Maritimes who will have to address unemployment issues, like the increase in eligible weeks and the reduction in benefit weeks following the social reform, would it not be possible to ease things up for students by maintaining the previous provisions which gave an 18-month deferral to unemployed graduates?

[*English*]

Ms. Clancy: Madam Speaker, I thank the hon. member for his question but ask for a clarification. In my experience it was not an 18-month deferral under the previous student loans legislation. It was a six-month deferral and if there were special circumstances the time period could be extended. Before I became a member of Parliament, I acted several times for students who were given longer deferral periods.

Perhaps it was different in Quebec because Quebec had the opting out. There may have been something different in the province of Quebec but, as I understand it, it was six months. As I also understand it, if circumstances warrant deferrals can continue. Given that we have to be very responsible fiscally, if students are working and can pay back they should pay back as soon as possible. Most of us who have bank loans do not get deferrals if we are working. There is flexibility if there is a problem; if the student is not working a deferral can be made. It was not at any time 18 months, but as I say there may have been a different situation in the province of Quebec.

(1335)

Mr. Monte Solberg (Medicine Hat): Madam Speaker, I have a quick question about the affirmative action part of the program.

Could the hon. member tell us roughly what percentage of women are currently undergraduates in the physical sciences compared to men? What would be the difference between male undergraduates going on to graduate school and females?

The second part of the question is if the government goes ahead with the legislation what steps will be taken to ensure that men still have access to all the spots in graduate school so that there is no discrimination against men through legislation by the government?

Ms. Clancy: Madam Speaker, I will defend to my dying breath the rights of men to get into graduate school. I reassure the hon. member for Medicine Hat that while I do not have at my fingertips the percentages of women in the physical sciences and the other programs he mentioned, at the moment members of the

male gender are not in any danger of losing their superiority in numbers in graduate schools in the country, particularly in the sciences.

I merely tell the hon. member there is a fairly strong men's group working on the matter. It is called western civilization. However, if he is worried about it, he should get deeper into the whole area of affirmative action to discover that women have been discriminated against most strongly in these areas for a number of years. Any program that comes along to ensure more women in these areas is obviously going to be supported by the government.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I am pleased to rise in this debate on Bill C-28 regarding student loans and other forms of financial assistance.

I would like to start with a brief historical background. In 1964, Quebec decided to opt out of the student loans legislation, and this has allowed us to develop a different model, more suited to the various regions of Quebec and the different forms of education we have. For example, at the college level, we have one extra year before entering university, something which does not exist in English provinces. We are proud of the model we have developed over the years and, even though there have been a few glitches from time to time, we have something which answers the needs of our students. This is particularly important in regions like the one I represent where we have two CEGEPs, one in La Pocatière and one in Rivière-du-Loup.

There is also one university, the *Université du Québec à Rimouski*, which serves the riding of Kamouraska—Rivière-du-Loup, and one vocational training centre which you enter after high school. They are all important for the region, not only from an economic point of view because of the students they attract from elsewhere, but also because once they graduate these people can contribute to the economic development of the region.

It is important that the provisions be an incentive to study. The example I was giving earlier to the hon. member is a case in point.

When you remove the possibility for students who have completed their studies to benefit from an exemption period should they fail to find employment, you introduce a disincentive to education. This is particularly so in areas where unemployment, especially seasonal unemployment, is high and where the likelihood of finding employment a few months after graduation is remote. We would have liked to see in this bill a more decentralized approach. Unfortunately, what we see instead is more of the same as in the UI reform where the

Government Orders

Minister of Human Resources Development announced an increase in the number of insurable work weeks and a decrease of the benefit period, which is a direct attack against those economies which rely heavily on seasonal employment.

(1340)

In the same vein, we find the kind of offensive you would normally not expect from a Liberal government, especially given its electoral promises. For instance, you will find that when a former student becomes disabled, for him to claim his permanent disability as a reason for not repaying his student loan, it has to occur within seven months of the end of his studies. Currently, this period is much longer.

Under the guise of making it easier for students to have access to the Canada Student Loans Program, in fact the government is setting stricter limits. It is making it more difficult to invoke conditions beyond someone's control. Becoming disabled is usually beyond one's control. If, for example, a student is disabled as a result of a car accident, during the winter, nine months after the end of his studies, the course of his life is altered forever, and on top of that he has to assume the burden of student loans and grants he was hoping to pay back as soon as he had a job, which he finds himself unable to do because of his new disability.

The hon. member for Vancouver Quadra was just talking about compassion. I think that the government should show more compassion and treat former students who are in a difficult situation more humanely instead of the opposite.

Another aspect of this bill that we representatives of Quebec find totally unacceptable is the departure from what used to be, that is allowing the appropriate authorities to act in the area of loans and bursaries since appointments were made by the provincial cabinet to the appropriate bodies. In the new bill, the Minister of Human Resources Development takes it upon himself to appoint these people. We think that this is unnecessary centralization that will hurt the practical application of this program in every province.

Secondly, before, provinces opting out as Quebec did had to show the federal minister that their own plan met the general conditions of the federal plan, which left them with some leeway to adjust their loans and bursaries programs to their own needs.

Now the new bill says that the province will have to show that the program which it wants to implement meets the requirements of the federal law in every area covered. Obviously, in the medium term, this will force provinces like Quebec that want to have their own loans and bursaries to comply more and more with federal standards and thus, on occasion, to diverge from their own provincial requirements.

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(1345)

On top of the massive centralization it will bring about, this bill also gives the minister too much leeway in defining the reform. We are moving from a system where most of the elements were provided in the legislation to a reform which will, in the end, be implemented through regulations we know nothing about.

This is like signing a contract without seeing it. Before the government signs the contract, we would like to know exactly in which kind of a regulatory framework this legislation will be implemented; we want to avoid any surprises, especially since the examples I gave earlier show these regulations may indeed contain surprises not altogether to the advantage of students.

Since the minister promises to submit the regulations to a committee, I believe it would be important that we get them at this stage so that we may analyze them globally and see if the program, as it will be when those regulations are implemented, will be beneficial for students and will in fact create an incentive for the youth of Quebec and Canada to study, to succeed and to get well-paying jobs that will enable them to contribute to the development of their community.

I think this bill should be improved in order that the reform meets all the requirements of the students and other stakeholders, that is educational institutions, banks and all other banking institutions, and that it results in a better system, more efficient than the one we have now but also more advantageous for future generations.

The cost of student grants and loans, and on that point I agree with the member who just spoke, must be regarded as an investment. It will allow us to see that the generations graduating in the year 2000 will have a maximum chance of finding jobs, leading decent lives and creating adequate family lives.

In the context of this International Year of the Family, I think that is exactly the attitude we should adopt regarding this situation.

In concluding, I would like to call the attention of the House particularly to the rather more difficult circumstances that could result from the fact that students will be asked to undertake a study program with very little assurance of being able afterwards to make use of the time needed to find appropriate jobs. For instance, a student who is presently in high school meets a professional training counsellor to discuss his future choices, and he tells him to get into a loan and bursary system that provides this and that, that he should get an education in order to have a better chance of ultimately making good money and leading a normal life. But if the conditions that are offered to him are less advantageous, we are encouraging these people to leave the system.

A bill such as this could, through changes that seem economically profitable in the short term, have a negative long-term effect in the sense that students, instead of getting into the education system in order to be the most competitive possible, would rather choose to quit school too early, thus not providing the manpower that Quebec and Canada will need in the coming years.

(1350)

So, I believe it is important that, in the future, the minister not bring about, through his decisions, changes that would upset a system that took several years to develop, especially in Quebec, where the loan and bursary system has sometimes led to major discussions. The government should not, by interfering in an area of provincial jurisdiction, jeopardize advances made in that area.

We would like the minister to insure most of all the tabling of regulations to make sure that the package is an interesting and logical piece of work, rather than a series of scattered decisions or decisions that will make the life of students more difficult.

Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade): Madam Speaker, several Opposition members have raised an issue which I consider a rather interesting one: jurisdiction over education. They said that education is a matter of provincial jurisdiction. Our government agrees with that, but I would like to set the record straight.

In the bill as tabled by the minister, there is a provision under which the provinces are not obliged to participate in the program. As you know, Quebec and the Northwest Territories have already said they do not want to participate. I would appreciate if the hon. member would tell me whether he is satisfied with the bill proposed by the government as far as jurisdiction is concerned, and I want to stress that this bill recognizes the right of the provinces and territories to do what is referred to as opting out.

Mr. Crête: Madam Speaker, I want to thank the hon. member for his question, which gives me an opportunity to clarify my position. It is true that this bill is not satisfactory to us, because in the section that applies here, the provinces must satisfy the minister that their plan, in relation to the matter in question, will substantially have the same effect as the federal plan. Previously, this requirement only concerned the effects of the plan.

So there is a big difference between the two. Previously, they said: "What are the objectives of your plan for Quebec?" And the federal minister said they were in line with the federal objectives, and it was all right. However, as the bill stands now, it says that the plan will have to have the same effect in relation to the matter in question, which means that the provinces have lost the flexibility they had before in this respect, and everything will depend far more on the individual minister.

The person who is Minister of Human Resources Development today may not be there a few years from now. And we can expect bureaucratic inflation because when a bureaucracy is allowed to check the details of a program, you may be sure that this will make a lot of jobs for public servants.

Previously, the emphasis was more on political objectives, and so it was more up to the politicians to make a general evaluation. In fact, there have been no major problems with Quebec's opting out in this area for the past thirty years, but there were no reforms during the past thirty years either. We do not want the provisions of the new legislation, as it stands now, to add to bureaucratic constraints, at a time when we should be doing the exact opposite and giving the provinces as much leeway as possible.

(1355)

I think this is a time for general legislation which allows for defining objectives and clearly identifying these objectives and not a time for setting up audit teams in Ottawa to audit Quebec and the territories concerned who have the same kind of situation and fighting about whether our plans have substantially the same effect. In this respect, the new legislation is not satisfactory to us, and that is one of the reasons why we object to the bill.

[English]

Mr. Ovid L. Jackson (Bruce—Grey): Madam Speaker, education is a universal norm. I used to be a teacher. One thing about education is that it is dynamic.

In a lot of cases although people develop ideas in different municipalities those ideas might be the same. There has to be some central body to make sure there is some kind of uniformity. That is the role of the federal government.

We are not trying to stifle creativity in whatever this government is drafting. We are trying to make sure that we enhance and use all the knowledge and talents from all the provinces. I do not think any one province has talents exceeding those of another province.

For instance, in my municipality a youngster at one of the high schools I taught at qualified recently for a global scholarship. He will be leaving for Japan. I will be making a statement in this House about that. I know that all provinces, all peoples and all races produce people with these talents.

It is the role of the federal government to make sure that the educational facilities throughout this great country of ours have some semblance of order. Notwithstanding the fact that provinces are innovative and the province of Quebec has done extremely well with its economic base and some restructuring of its industries. In fact, it is a leader. Certainly the rest of Canada from time to time could copy some things from Quebec, but I am

sure there are also things in Ontario which could be cross-pollinated.

There is always this movement of the provinces wanting more responsibility. They ask the feds to collect the money and then pass it on. However the feds do have a responsibility to maintain that uniformity.

[Translation]

Mr. Crête: Mr. Speaker, I thank the hon. member for his comment. I singled out two expressions that he used, because they set us apart dramatically. He mentioned a "central body" and "uniformity" as being responsibilities of the federal government. This is precisely what we disagree with.

Education development, in Quebec and in Canada, cannot be uniform from one end of the country to the other. If you take just one example, the Northwest Territories, where the loan and grant system is applied differently, certainly have situations which differ greatly from ours. As to uniformity, a province might consider—and Quebec just did it—extending the loan and grant program to vocational training, to people who enter the labour market after high school, because it makes sense in that province, while it may not be the case elsewhere.

Some provinces may wish to emphasize keeping their graduates at home. This is why we disagree on this subject and why we oppose the bill introduced by the government.

[English]

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

IMPAIRED DRIVING

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, drunk driving continues to be a problem throughout Canada. Every year in Canada over 45 per cent of all traffic collisions involve alcohol.

I am told that every 20 minutes in Canada someone falls victim to a drunk driver and every four hours someone is killed as a result of drunk driving. In 1991 over 31,000 Ontario drivers were charged with impaired driving offences. That is one person every 17 minutes.

The Peel regional police through a program called Operation Lookout call upon all Ontarians to report drunk drivers. All provinces should follow this example.

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Everyone has a stake in keeping our roads safe and free of impaired drivers. By reporting a drunk driver you could save the life of someone you know, even a family member.

* * *

[Translation]

THE OUTAOUAIS

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, after 127 years of federalism, the Outaouais is still neglected by the federal government and receives only 1 per cent of the \$2.5 billion in federal contracts which are awarded every year. This shameful neglect on the part of the federal government proves how totally indifferent it is to the economic development of the Outaouais and the creation of jobs in this area. Such an attitude has a disastrous impact on its economic situation.

The fact is that the federal government, while saying it champions the cause of the Outaouais, is actually promoting the inequality which has persisted in the Outaouais and Ottawa-Carleton regarding the awarding of federal contracts.

After decades of fruitless protests and demands, Quebecers, especially in the Outaouais, have now understood that it is only through sovereignty that they will be able to develop their country.

* * *

[English]

CRIMINAL JUSTICE

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, in August 1992, 73-year-old William Dove was lured from his cabin near Whitewood, Saskatchewan and brutally beaten to death by two men and a teenager. Unbelievably, Hubert Ascoose, one of the two men convicted of manslaughter, is already eligible for parole.

The victim's mother has asked to attend the parole hearing scheduled for June. The parole board has advised Mr. Dove's family that they are welcome to attend the parole hearing "but they won't be able to say anything".

Many people in Saskatchewan feel that the three charged in this case got such light sentences that they literally got away with murder. Once again the system bends over backward for the criminal and denies the victim's family a chance to tell the parole board what they think.

When is the government going to correct this gross injustice? When is the government going to make changes to the parole

system to put the rights of the victim and the protection of society as its first priority of the criminal justice system?

* * *

MERCHANT NAVY

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, as a member from Atlantic Canada I am very proud and very pleased that my government, the Government of Canada, has recognized the 12,000 Canadians who voluntarily served in the merchant navies of Canada and other allied countries during the second world war. Many of those merchant mariners came from Atlantic Canada and one out of ten died on the high seas.

Yesterday, after 51 years, this government represented by the hon. Secretary of State for Veterans and the hon. Minister of National Revenue in twin ceremonies in Halifax and in Vancouver presented the Canadian Volunteer Service Medal to veterans of the Canadian Merchant Navy. With the 50th anniversary of the D-Day landings on the Normandy beaches just a few days away, it is very appropriate and timely that this government acknowledge the success of the allied war effort vested in large measure in the considerable sacrifices made by allied merchant seamen.

Today Canada salutes the veterans of the merchant navy and we thank them for their ultimate sacrifice.

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LIEUTENANT COLONEL DONALD EDWARD GEORGE IRISH

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I rise in the House today to honour an officer and a gentleman on his recent retirement. For 35 years Lieutenant Colonel Donald Edward George Irish has served our country as a member of the Canadian forces. During that time he has made significant contributions to the Canadian cadet organization and the youth in the Hamilton-Wentworth region.

He is respected by his fellow officers, revered by his cadets—I know because I am one of them—and known to his peers to be knowledgeable, fair and impartial in mediation. In fact, Lieutenant Colonel Irish is considered by many to be the most respected cadet instructor air list officer to have ever served in the Canadian cadet movement.

With his time, compassion and genuine concern he has played a major role in guiding the development of one of Canada's greatest resources, our youth.

I am sure my House colleagues will join me in recognizing the accomplishments of Lieutenant Colonel Donald Edward George Irish.

1995 G-7 SUMMIT

Ms. Mary Clancy (Halifax): Mr. Speaker, in 1995 Canada will host the G-7 summit. Even better, Halifax was chosen to represent Canada as the site for this conference.

(1405)

This decision may have surprised some people but Haligonians have always known that our city is a great place for such an event.

Halifax can compete at the international level in business, education, research and, of course, tourism. The beauty of the city goes unrivalled due to its setting, its significant historic landmarks and its modern infrastructure.

Those of us who are fortunate enough to know of Halifax's fine qualities first hand are very proud of the city's accomplishments and are very proud that we are given the opportunity to represent our great nation from east to west, from north to south, anglophone, francophone and allophone on the world stage.

* * *

[Translation]

THETFORD MINES AREA

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, I join the Leader of the Official Opposition in the Quebec National Assembly in denouncing the Premier's statement regarding the Asbestos area. On May 11 last, the issue of Metropolitan Gas expansion was debated by the National Assembly. Mr. Johnson stated at that time that it was not cost-effective to invest in that area.

People there have been ingenious enough to diversify and survive after the demand for asbestos dropped dramatically; Thetford Mines was even declared Industrial City of the year in 1992. We can see that Mr. Johnson is completely disconnected from reality.

I find it despicable for a politician, in his ivory tower, to hamper the efforts of our people who are doing their utmost to develop the area around Thetford Mines.

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[English]

MINING WEEK

Mr. John Duncan (North Island—Powell River): Mr. Speaker, this week May 21 to 28 marks the sixth annual Mining Week in British Columbia, the focal point being an awards luncheon in Vancouver on Friday, May 27 to honour achievement in B.C.'s second largest industry.

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While this industry has struggled in the face of low world market prices with competition from abroad and detrimental land use decisions here at home, the B.C. industry remains a driving force, employing 33,000 British Columbians and generating billions of dollars in annual economic activity.

I congratulate the industry this week. I am sure my colleagues from British Columbia and across Canada wish this vital industry continued growth and a standing offer of assistance.

* * *

[Translation]

ENGINEERING

Mr. Raymond Lavigne (Verdun—Saint-Paul): Mr. Speaker, I wish to congratulate the team of engineers working for Les Ponts Jacques Cartier and Champlain Incorporée. On April 29 last, they were awarded the Prix Méritas 1994 by the Ordre des ingénieurs du Québec (Régionale Plein-Sud) for their work on the restoration of the Champlain bridge. Congratulations go out especially to CEO Benoît St-Laurent, to Senior Engineer Glen Carlin and to their team.

An important phase of the project involving the replacement of the Champlain bridge deck was the focal point of presentations by Mr. Carlin to the board of directors of the Permanent International Association of Road Congresses, to the annual congress of the Association québécois du transport et des routes, to the Transportation Association of Canada and to the McGill University and École Polytechnique chapters of the Canadian Society for Civil Engineering.

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[English]

YOUNG OFFENDERS ACT

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, today the South African Parliament opens. One of the first items on its agenda is the reform of the justice system to remove decades of prejudice and imbalance.

It is about time we did the same. Canada incarcerates offenders at a rate which is the third highest in the world. Canada incarcerates its aboriginal people at a rate which is three to four times higher than the population as a whole and at a rate which is twice the rate South Africa incarcerated blacks.

The right wing Reform Party is today asking Parliament to change the Young Offenders Act. The fact is 70 per cent of the offences committed by young offenders are only property offences but an amazing one-quarter of these youth who commit these property offences are sent to jail.

Unlike the right wingers opposite, our government is committed to putting justice back into the justice system.

S. O. 31

INTERNATIONAL DAY OF FAMILIES

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, on May 15 we celebrated the International Day of Families.

(1410)

In celebration of this day, the Prime Minister has asked Canadians to reflect on the important role the family plays in all our lives. In particular he recognized the importance of the family unit for children and young people.

I would like to build on the Prime Minister's words and ask Canadians to reflect on the significant role played by the senior members of our families, our parents. My father, who is with us in Ottawa this week, is an example of the generation that with hard work and dedication made Canada the great country it is today.

We talk of tapping our resources. Our greatest resource is the people who have made this country. These Canadians are truly the foundation of our society.

We must recognize that strong and healthy families create strong and productive societies. Our parents lived through different and sometimes challenging times. We would do well to learn from their experiences and to build upon them.

* * *

[*Translation*]

FOREIGN AFFAIRS

Mrs. Maud Debien (Laval East): Mr. Speaker, it is with some consternation that we helplessly stand by and watch the ongoing hostilities in Rwanda. The situation is all the more distressing in that according to some sources, this senseless conflict has already resulted in the loss of over half a million lives.

In the face of genocide on such a massive scale, the Bloc Québécois urges the federal government to follow up as quickly as possible on the Security Council resolution to reinforce the United Nations mission in Rwanda.

In view of its reputation on the international stage, Canada cannot remain indifferent in the face of this slaughter. It must, therefore, intervene without delay.

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[*English*]

REFERENDUM '94

Mr. Ted White (North Vancouver): Mr. Speaker, in the next few days every member of this House will be receiving a letter from my office containing information about Referendum '94 along with a copy of the household presently being distributed to North Vancouver voters.

We will also begin distributing confidential voter PIN numbers within the next two weeks so members should alert their staff to watch for the arrival of the personalized envelope.

Other than some minor delays in updating the voters' list, all aspects of Referendum '94 are running on track. Our computerized help line is available 24 hours a day on area code 604-666-8378. I urge all members to call at their leisure to learn more about the referendum.

In case some members did not have their pens ready, that help line number for Referendum '94 on proposed changes to the Young Offenders Act is area code 604-666-8378.

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PRIDE CANADA

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, Pride Canada, the parent Resources Institute for Drug Education, celebrated its 10th anniversary at the University of Manitoba this last weekend.

It met with a variety of Manitobans from different backgrounds, actually with advocates who knew a lot about the drug problem in Canada, particularly among youth. They were international, national, local and adolescent experts. They recognize and reaffirm that the best way to get hold of the drug problem today is to make sure that it does not get started or, if it has started, to intercept it early.

I want to mention that this particular conference focused on prevention, treatment and law enforcement.

[*Translation*]

On behalf of all members I want to congratulate both organizers and participants who discussed one of the problems of our young people, a problem that deserves the attention of this Parliament.

* * *

[*English*]

PHARMACEUTICALS

Mr. Bill Graham (Rosedale): Mr. Speaker, Canada's drug regulation system exists to serve, protect and benefit all Canadians. We have a special responsibility toward those fighting life threatening diseases such as AIDS, Lou Gehrig's disease and Parkinson's disease.

Many Canadians and many members of my constituency need compassionate access to experimental drugs which might arrest the progress of their illnesses. For them the emergency drug release program just is not working. They do not have the luxury of waiting for further tests. Their life expectancy is short and what time they have left will be in pain and mental anguish. Yet manufacturers often deny access to experimental drugs and there is no way to review or challenge that decision.

Oral Questions

Time is of the essence. We owe it to those who are suffering today to provide them with the greatest assurance that their voice will be heard and that their access to needed drugs will only be denied for objectively determined and scientifically conclusive reasons.

A review of the drug approval system is currently under way. Fairness in emergency drug access must be a part of that study.

* * *

(1415)

AIR SAFETY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, rationalization, modernization, automation: all these buzzwords have been used to justify a situation which should have many Canadians, especially rural and northern Canadians, concerned about safe air travel.

The previous Canadian government undertook a plan of closures of air traffic control towers across northern Canada. Personnel was reduced, automated systems put in place, and in one case in Watson Lake, Yukon a system called Readac has been observed to record clear skies in a raging snowstorm.

The question of air safety is an extremely concerning issue. The Union of Canadian Transport Employees has raised its concern with members of Parliament about the possible elimination of emergency response services in category one to three airports.

I call on the government not to follow the previous government's path of playing with Canadian safety, to act in the interest of the safety of Canadians, and to look at the safety of these systems for the north.

ORAL QUESTION PERIOD

[*Translation*]

QUEBEC'S RIGHT TO SELF-DETERMINATION

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, last week, the Prime Minister stated that since the Canadian Constitution is silent on the matter, the issue of Quebec's sovereignty is, and I quote: "purely hypothetical". This statement raised some doubts about the Prime Minister's position, that is to say, whether or not he recognizes Quebec's right to decide on its own sovereignty.

I want to ask the Prime Minister to remove these doubts as to his position on the subject and to tell this House whether or not he recognizes Quebec's right to self-determination.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, in 1980, we allowed a referendum to be held on the question of Quebec's separation. As I said several times last week, and I say it again today, only 5 per cent of Quebecers see the issue of separation and the Constitution as a priority. It is my duty to deal with the nation's real problems instead of spreading political and economic uncertainty in this country, and to make sure that Quebec remains in Canada. And I am convinced that Quebec will remain Canadian.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I asked a fundamental question which requires a clear answer. My question is whether the Prime Minister of Canada, of this country, respects Quebec democracy. Will the Prime Minister tell us clearly, and I will repeat my question, as head of State and Prime Minister, whether or not he recognizes Quebec's right to self-determination?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, this is a very broad question. It is more or less what the Leader of the Parti québécois said last week, when he commented on an international opinion according to which Quebec's borders would have to remain as they are. In the same opinion, it was also said that according to international law, Quebec could not separate from Canada without the consent of Canada, and that we would have to allow a vote to be held on the question.

That was done in 1980. I worked for the federal cause in a democratic vote, and Quebecers decided to remain in Canada. When I read current reports, I am convinced that this is not what Quebecers are concerned about, and that we are wasting our time. And as the Leader of the Opposition traipses around the world, he is creating problems for the Canadian economy, because talking about separation has a destabilizing effect. I am talking about a united and prosperous Canada that will go into the twenty-first century as a country that is a shining example to the world, and with all the provinces in Canada.

(1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I want to ask the Prime Minister whether he realizes that his ambiguous remarks imply that he reserves the right not to recognize the desire for sovereignty democratically expressed by Quebecers?

How can he reconcile this ambiguous attitude with his own behaviour and that of his leader, Pierre Elliott Trudeau, in 1980, when they were both very much involved in the Quebec referendum campaign and they agreed to abide by the outcome of this democratic process? Why don't this party and this government follow the example of the Conservative Party and the New Democratic Party which adopted resolutions formally recognizing Quebec's right to self-determination?

*Oral Questions**[English]*

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I want a referendum with a very clear question, not playing on words to try to confuse people, not talking about sovereignty, not talking about sovereignty association, but talking about the real thing: the separation of Quebec from Canada.

I am a democrat but I am not going to spend my time debating that because I know clearly that the preoccupation of the people of Quebec is exactly the same as the preoccupation of all Canadians. They want jobs, job creation and growth. They want all parties to work toward that goal rather than have the Leader of the Opposition, who is supposed to protect the interests of Canada when abroad, creating uncertainty around the world. He is guilty.

Some hon. members: Hear, hear.

[Translation]

Mr. Michel Gauthier (Roberval): Mr. Speaker, the Minister of Indian Affairs said that Quebec's natives could remain in Canada if the province decides to become a sovereign state. The Minister of Foreign Affairs then stated that the Minister of Indian Affairs should retract his comments, while the Prime Minister tried to avoid the issue and justify the statement made by his Minister of Indian Affairs.

My question is for the Prime Minister. Does the head of the Canadian government recognize the principle of territorial integrity for Quebec, whether that province chooses to remain part of Confederation or become independent? Does he recognize that principle?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I want to quote the opinion used by Mr. Parizeau last week, to the effect that Quebec natives must remain in Quebec and that Quebec must remain in Canada. Mr. Parizeau forgot to add that part. It is the international law for the time being. I want Quebec's territory to be fully protected, and the best way to ensure that is for the province to remain part of Canada, because the Canadian Constitution says that as long as Quebec remains part of Canada, no one can change its borders without its approval. Quebec's territory is protected by the Canadian Constitution. This is the best protection Quebecers can ever hope for.

Some hon. members: Hear, hear.

Mr. Michel Gauthier (Roberval): Mr. Speaker, does the Prime Minister not realize that with this answer, which is sort of a veiled threat, he maintains the ambiguity resulting from the irresponsible statement made by his Minister of Indian Affairs? Can he tell us if he really knows the principle of international law which provides that when a state becomes sovereign, it does

so with its whole territory? Does the Prime Minister know that principle?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the territory as a whole means all of Canada. That is what the opinion which Mr. Parizeau had in front of him the other day said but he forgot to mention that. This is our objective. And while we are discussing hypothetical issues, there is a lot of talk on international markets about the political instability in Canada and that has the effect of making interest rates go up, as the Minister of Finance can confirm.

(1425)

It is because these people do not care about the economic interest of Quebecers. If they did, they would help us stabilize interest rates, create jobs and give Quebecers what they want. Quebecers do not want to talk about the Constitution: They want jobs and they want to be able to come home at the end of the day with their dignity intact.

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*[English]***FEDERALISM**

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

The unwillingness of the federal government to so far vigorously promote its vision of federalism or to respond to various problems created by Quebec separatism is creating a national unity vacuum. That vacuum is now being partially filled by statements from provincial premiers, ad hoc pronouncements by ministers of the government, separatist rhetoric and media speculation.

Does the Prime Minister believe the time has now come for the federal government to fill the national unity vacuum with something more positive and concrete on the federalist side? And, if so, with what does he propose to fill that vacuum?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, during the campaign I went across the land and made a promise to all Canadian citizens that I wanted to become the Prime Minister of Canada and talk about job creation.

The leader of the Reform Party wants me to reopen the debate on the Constitution. I think it is completely wrong to do so. People are completely fed up with discussions on the Constitution. They want us to create jobs, and that is what we will do.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I thank the Prime Minister for his reply. We have had the discussion before that federalism and the Constitution are not synonymous.

The vigorous promotion of a federalist vision of the future need not focus on constitutional arrangements. It could focus on

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an economic vision or a social vision or a vision of Canada's international role. My point is that something visionary and futuristic has to be put forward to fill that vacuum.

Will the Prime Minister acknowledge that what he needs to do soon, what he needs to do now, is provide the country with a fresh, clear vision of what a 21st century federal state should be in order to deepen the commitment of all Canadians including Quebecers to Canadian federalism?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, now the leader of the Reform Party says there is no need to talk about the Constitution. Fine; I agree with him. That is why we are working on reforms to social programs at this time. We have tried to have fundamental reform and to make sure we approach the problems in a modern way by putting the emphasis on the right thing: job creation and dignity of work.

In terms of trying to make arrangements with the provinces, that is what the minister for federal-provincial relations is doing at this time. He is working to try to end the duplication of many programs. That is a practical way to have better federalism. We have been working that way since the beginning.

To come in with so-called new things and get people around the table like we have done over the last three years and talk Constitution all the time will lead to that. That is the speech this member of Parliament is making across the country today and he knows it makes no sense. The people do not want us to spend our time on constitutional matters. They all know that we live in the best country in the world and that we can solve our problems in a practical way. The big scheme à la Reform would never work.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, that is not exactly the kind of visionary statement I had in mind. It seems to me that behind the government's reply is also a fear that it is conceding legitimacy to the separatist cause by even acknowledging some of the problems which Quebec separatism creates. Yet by saying nothing on such problems the government is leaving the national stage open to one-sided separatist arguments and ad hoc federalist responses which confuse rather than clarify the issues.

(1430)

My question is simple: Will the Prime Minister agree today to publish a list of the key issues which Quebec separatism raises from a federalist perspective and simply assure Canadians that his government is developing a principled response to those issues?

Right Hon. Jean Chrétien (Prime Minister): The best way to answer the question is to do what we are trying to do. That is to give good government to the people of Canada which is what they want, to reopen that type of debate, to talk about the values of Canada. I do it all the time. In fact I will have the pleasure of saying that to 1,000 people in Calgary this week. I said that in front of 12,000 people in Winnipeg last week. I will have

another great occasion to say the same thing to a great crowd in Edmonton.

I say to everybody who listens to me that we have problems. Every country in the world has problems. It is not easy, but I would not change the problems of Canada with the problems of any other nation of the world. We live in the best nation in the world, the most generous country that exists with a tolerant society. It is a country that has such an open democracy we can tolerate the separatists in front of us who want to break up the country. You do not find a better country than Canada.

Some hon. members: Hear, hear.

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[Translation]

DEFENCE INDUSTRY CONVERSION

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, a study commissioned by the federal government concluded that over 10,000 defence industry jobs had been lost in Quebec since 1987. It also indicated that unless action is taken, 10,000 more jobs are in danger of disappearing within five years.

Given this alarming context, how can the Minister of Industry refuse to implement an emergency plan to put defence industries to alternate, civilian uses, thereby preserving thousands of jobs in Quebec?

Hon. John Manley (Minister of Industry): Mr. Speaker, I wish to congratulate my hon. colleague on his article published in *La Presse* last week. At least he paid attention to the debates we had in this place the week before the recess.

It must be made very clear here that the Bloquists' understanding is that defence conversion requires massive subsidies to be paid to companies which also have shareholders and managers responsible for finding ways of succeeding. That is essential to helping us understand where they are coming from.

[English]

We will support defence conversion and DIPP is doing that. We also recognize the important role shareholders and company managers have in ensuring the success of their own enterprises. That is part of the system and it is part of defence conversion.

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I am pleased, delighted really, to see that the hon. minister reads other material besides Shakespeare.

Considering that Bell Helicopter admitted to delaying a \$40 million investment because the existing DIPP did not meet its needs, how can the minister continue to maintain that the program is adequate for companies seeking to move away from defence production? This is a concrete example of conversion. How can the minister help this company?

*Oral Questions**[English]*

Hon. John Manley (Minister of Industry): Mr. Speaker, in all honesty I believe \$160 million a year which DIPP currently has is adequate to support a program of defence conversion.

(1435)

I would like to point out as well to the hon. member that since this government was elected we have approved 41 DIPP applications. Of those, 39 were for civilian or dual use purposes. This in effect demonstrates that a defence conversion program is operating.

It is time the hon. member recognized the important contribution DIPP is making to firms across Canada, particularly in Quebec. Pratt & Whitney, Canadair and others have benefited in great measure by this government's program.

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ABORIGINAL AFFAIRS

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, my question is for the Prime Minister.

Last Tuesday the Minister of Indian Affairs and Northern Development suggested that the aboriginal people of Quebec would have the right to remain in Canada if Quebec separates. On Thursday the Minister of Foreign Affairs said that the Minister of Indian Affairs and Northern Development had misspoken and would soon clarify his remarks.

Can the Prime Minister tell this House which of his ministers speaks for the government on the subject of aboriginal people in Quebec?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, under the Canadian Constitution the Minister of Indian Affairs and Northern Development is the one responsible for natives in Canada.

Because there was a lot of debate about hypothetical questions, he gave a hypothetical answer. At that time I said we were all wasting our time. That was my answer.

We are talking about a hypothetical situation that will not exist. I do not want to spend my time on that because I want members of my cabinet and members of this Parliament to be preoccupied with the jobs that are needed for the Canadian people.

To speculate on what would happen, as Mr. Trudeau said one day: "If my grandmother had wheels, I would have been a bus". I do not want to speculate; I do not like if, if, if. I like to do things. What is important at this time is job creation and giving a good society and a lot of confidence to the Canadian people and Canadian investors so that everybody will be there.

I do not want to reply to hypothetical questions. It is not permitted by your rulings, Mr. Speaker. One cannot ask hypothetical questions in the House.

The Speaker: I want to thank the right hon. Prime Minister for pointing that out to me.

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, following that hypothetical answer, I would like to try one more time with another one of the Prime Minister's ministers. The government House leader recently stated at a convention that the government had no policy regarding native self-determination in Quebec should separation occur.

Can the Prime Minister tell this House whether he has any strategy to deal with aboriginal people in Quebec so that all Canadians, including members of his own cabinet, will know how he intends to address this crucial issue?

The Speaker: I agree that the questions are getting into the more hypothetical stage. I will permit the Prime Minister to answer that question if he so desires.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, after 32 years in the House of Commons and in Parliament what happened to the Solicitor General? Rightly so. At that convention, he refused to reply to a hypothetical question.

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*[Translation]***FOREIGN AFFAIRS**

Mr. Philippe Paré (Louis-Hébert): Mr. Speaker, my question is for the Minister of Foreign Affairs. Barely 48 hours after the global embargo imposed by the UN against the military regime in Haiti, it is reported that the junta is executing members of organizations supporting President Aristide. The terror campaign against them is intensifying.

Can the minister indicate what measures Canada has taken to enforce the global embargo and whether it intends to get actively involved to achieve the desired results without ruling out any option?

(1440)

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, in the last few days, I met with Mr. Caputo, the official representative of the UN Secretary General for the Haitian question, to discuss initiatives that could be taken to reinforce the complete blockade of Haiti and prepare for the return of President Aristide as soon as possible.

Of course, this must be done in co-operation with other countries and Mr. Caputo will meet with representatives of Haiti's four friends to establish a common position.

Mr. Philippe Paré (Louis-Hébert): Mr. Speaker, I again ask almost the same question. Besides consulting with the three other countries that are friends of Haiti, can the minister tell us

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whether Canada will intervene directly in the conflict in order to enforce the embargo?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, obviously, from a distance, it is very difficult for Canada to enforce this embargo.

One of the best-known ways to get around the embargo is through the border with the Dominican Republic. We cannot enforce this embargo at the border with the Dominican Republic. However, we have told the authorities that, if they want, we will help establish a United Nations force that could enforce this embargo along the border with the Dominican Republic.

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[English]

PENITENTIARIES

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, my question is for the Solicitor General.

Recently in my riding of Mission—Coquitlam two high risk prisoners, wrongly labelled low risk, walked away from Ferndale minimum security prison. They walked away either by walking out the front gate or by crossing the prisoner golf course and going over the four-foot fence.

Mission's mayor and council have requested an immediate public inquiry as to those prisoners' classification in being there. Because of the federal government's inaction to this point, the municipality is going to hold its own public inquiry.

Will the Solicitor General launch an immediate public inquiry into the whole classification system?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the hon. member has raised a good point, but she is a bit late on it.

The Correctional Service of Canada's commissioner has already announced a national inquiry, not just into the circumstances of the escapes from Ferndale but into the situation involving minimum security institutions, including the approach to classification. This is already under way. I am sure it will do a good job in dealing with the concerns she has raised and which I fully understand.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I would like to thank the Solicitor General for his answer. He may be aware that I did contact his office and was waiting for a confirmation on just that question. I have not yet received it.

However, I am concerned that classification seems to be one of the areas where there is inconsistency. In making the term low risk, would the Solicitor General please check in his public inquiry as to how the classification comes about. That seems to

be the problem why we have so many high risk prisoners with low risk classifications.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I will draw the hon. member's point to the attention of the commissioner of corrections so that it can be taken into account in the national inquiry which is going on. I understand this is already intended, but I will make sure it is not overlooked in the inquiry. I think the inquiry is much needed and I look forward to its results.

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[Translation]

ETHICS

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Prime Minister.

He said on several occasions that he intended to prepare a code of ethics for his government, to table before the end of June a bill on lobbyists and to name an ethics adviser.

Would the Prime Minister not agree that the proposed appointments to the Immigration and Refugee Board, without interviews, solely on the basis of their resumé, remind us of the urgency of the proposed legislation I just mentioned?

(1445)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I said that we would proceed in these areas. We hope to be able to give a name to the Leader of the Official Opposition and the Leader of the Reform Party in the next few days. The bill on lobbyists will be tabled shortly after the person is appointed. We would like to consult with that person before introducing the bill, because we think it would be useful to have his or her opinion.

I hope we can agree shortly on an appointee, and that the promise will be fulfilled before the summer recess.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, in the meantime, does the Prime Minister not think that his Minister of Citizenship and Immigration would be well advised to postpone the appointment of 25 commissioners, at a salary of \$85,000 each, without interviews, solely on the basis of their resumé?

[English]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would like to tell the hon. member that the minister has proceeded with appointments since he has been a minister and has been praised across the land for the quality of people he has chosen to occupy these jobs.

*Oral Questions***PEACEKEEPING**

Mr. Stan Dromisky (Thunder Bay—Atikokan): Mr. Speaker, the United States is asking us to take part in the new United Nations peacekeeping mission in Haiti.

Canada, as usual, will probably participate and share the peacekeeping expenses. The United States profits from these ventures through the additional sale of arms. However, it refuses to pay its share of peacekeeping costs which now amount to over \$1 billion.

What is the Canadian government doing to get the United States to honour its United Nations peacekeeping commitments?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I want to say to the hon. member that Canadian policy calls for the equitable sharing of peacekeeping costs by all member states of the UN.

I remind the hon. member that the U.S. administration has recently published a presidential decision, directive 25, which reaffirms that the U.S. intends to pay its full arrears in a timely manner. I believe this should be acknowledged as a substantial step forward.

We will be discussing with the Americans and with other countries the best way to make sure that all UN members pay their fair share of peacekeeping missions throughout the world.

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IMMIGRATION

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Several weeks ago the minister was quoted as saying that only 16 deportation orders against criminals had been overturned last year. He argued that this meant the immigration and refugee board was working just fine.

Recent reports indicate that at least 242 non-residents, most with criminal records, had deportation orders overturned.

Was the minister unaware of the numbers of criminal deportations overturned? If not, why did he choose not to reveal the true number?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, the number that I referred to some time ago in the House was the number of overturned cases. The cases that the hon. member talks about include a large number of cases that were stayed. There is a difference between overturning and staying.

I have also said that I do not look kindly on those individuals who clearly poke fun at our system, who abuse our system. We will have a bill in the House of Commons before we go home in the summer and I look forward to the hon. member's support as well as that of her party to deal with it.

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, the minister has also tried to reassure Canadians that the vast majority of deportations are carried out after they are ordered, but of approximately 25,000 deportations ordered last year fewer than 9,000 have actually been carried out.

Canadians deserve to know how the immigration enforcement system is working.

Will the minister agree to the public disclosure of the percentage of deportation orders successfully carried out, especially in light of his recently announced amnesty agenda?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I do not know where the hon. member is getting this amnesty agenda. The government did no such thing. She is obviously twisting the facts of what we did last week, which was to impose a number of interim measures, because I believe that the agency and the automatic review after failed claims were not well defined and that discretion rested solely with the minister. What we had were end runs around the system to try to get to members of Parliament, to ministers, to NGOs, to the media, to church sanctuary.

(1450)

Rather than having something undefined I chose instead to put discretion back into the system, define what it means to have an automatic review and what it means to have a humanitarian and compassionate review so that the people and the council know the rules by which they have to appeal. I think that makes sense, rather than having the system overtaxed.

The hon. member should be careful in how she uses the word amnesty because first, it is not an amnesty; second, the people who can apply for that are post-93; and third, those with criminal records are not eligible.

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[*Translation*]

AMATEUR SPORT

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, the minister of heritage has just received the report of a committee which looked into the funding of amateur sport in Canada. In particular, the report recommends that the grants awarded to several federations representing sports such as the biathlon and freestyle skiing be cut. These are sports in which Quebec athletes excelled and won gold medals at the Lillehammer Games.

Can the minister of heritage tell us if he intends to follow up on the Best report?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am delighted that our colleague has given me this opportunity to shed some light on this situation. Last week, I received a copy of the report that had been tabled. The only ministerial decision that was taken was to make the report public. Any further decisions will not be made until the report is examined.

Oral Questions

I might add that not only will recommendations be examined, but also the very concept on which the report is based, that is the concept of mainstream sport. We will examine all of this and make our decisions known in due course.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, will the minister commit to fully maintaining the level of assistance provided to athletes and will he agree to focus his cost-cutting efforts instead on the real waste within his department, particularly the waste associated with the Canadian Museum of Nature?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, we should not be mixing apples and oranges. A museum and athletes are two very different things. I can, however, reassure our colleague that I have always given priority consideration to hard-working athletes in whom we take great pride. She can rest assured that they will have the consideration of the minister of heritage.

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[English]

ABORIGINAL COMMERCIAL FISHERY

Mr. John Cummins (Delta): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

In June 1993 the B.C. Court of Appeal ruled that there is no inherent right to an aboriginal commercial fishery yet the previous government persisted with just such a policy.

Is the minister committed to continuing the policy of the previous government establishing this aboriginal commercial fishery?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, the previous government did not establish an aboriginal commercial fishery. The previous government established a number of test sale projects in British Columbia with respect to the aboriginal fishery. That is what was established.

That policy has now been reviewed by the current government as was required under the cabinet directive of the day and a proposal or an announcement on the future of the aboriginal fisheries strategy will be forthcoming very soon.

Mr. John Cummins (Delta): Mr. Speaker, we are pleased to hear that an announcement will be coming soon. The minister persistently and consistently refused to meet with the B.C. Fisheries Survival Coalition, a group formed to deal with and address that particular issue.

Does the minister believe that in refusing to meet with this group while declaring that he intends to make an announcement soon, he will generate support for the government's position?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I know the member would want all members of the House to have all of the information available regarding this important matter. The member for Delta knows that I have met with almost every individual component part of the aboriginal fisheries strategy group.

(1455)

I have met with the FCBC of British Columbia. I have met with the union. I have met and addressed the Pacific Troller's Association at its annual meeting. I have met a variety of other groups. I have probably held more meetings with groups—the member I think would acknowledge this—in British Columbia on the question of the British Columbia fishery, in particular getting ready for an aggressive campaign to try to resolve our differences with the Americans than any other minister for a heck of a long time.

When the member says I have not met with each of these component groups under something called the Survival Coalition as one group, he is right, but I have met every one of the individuals involved on numerous occasions.

Mr. Speaker, you do not get meetings with ministers by occupying the offices of federal MPs. If you want good faith, show good faith. That is my message to the people I want to work with in the province of British Columbia.

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TRADE

Mr. David Iftody (Provencher): Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food.

The United States secretary of agriculture is now sending a team to Brazil to attempt to gather unfounded evidence of alleged Canadian dumping of wheat.

Time and again the Canadian Wheat Board has been found by international tribunals to be trading fairly. The United States is again creating mischief, this time among Canada's trading partners in South America.

Will the minister of agriculture intervene to counter this ongoing harassment and attacks against Canadian farmers by the U.S. government?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, the hon. member and the House can be absolutely assured that the Government of Canada will vigorously defend Canada's vital interests, including the interests of Canadian grain farmers.

We have consulted and will continue to consult with our customers and our competitors alike. In recent days we have

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been in touch with the Brazilians, the Argentinians and the Mexicans and we will continue that dialogue to resolve any concerns they might have. We want to ensure full and accurate information so our customers and competitors do not have to rely on misinformation or disinformation that might be provided by the United States.

In the circumstances being complained about by the United States at the present time, the U.S. is wrong. Its allegations are false. It is ironic that those allegations should be coming from a country that spends \$1 billion U.S. annually on its export enhancement program which is the most manipulative and trade distorting program on the face of the earth.

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[Translation]

COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, the Minister of Intergovernmental Affairs recently stated that an agreement had been reached with the Quebec government regarding the future of the military college in Saint-Jean.

However, the Premier of Quebec denied that such an agreement on the future use of the college existed. Can the minister tell us whether or not an agreement was reached with the Quebec government regarding the use of the college in Saint-Jean, as he announced at the Liberal convention last week?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, the negotiations on the future use of the college in Saint-Jean are ongoing. We clearly had a meeting of the minds on a number of items that will be part of the final round of negotiations. But, as I indicated last week, the final agreement is not ready yet. When it is ready, I will be happy to give a copy to the opposition member.

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, could the minister tell us exactly what, in his current negotiations with the Quebec government, is the federal government's proposed use for the college in Saint-Jean?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, as usual, we have been very flexible in our negotiations with the provinces, and in this case with Quebec. We are still flexible. Therefore, until we have a final decision, we cannot announce it, because we are giving Quebec the opportunity to continue to discuss some of the items.

[English]

HEALTH CARE

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, my question is for the Minister of Health.

One of the five principles of the Canada Health Act is accessibility. Traditionally this principle has been interpreted narrowly, that is, ensuring that health care is not denied for financial reasons.

(1500)

The greatest barriers to health care today are the line-ups and waiting lists Canadians encounter when they require health care services.

Does the minister agree that accessibility for health care must be defined in terms of timeliness as well as affordability?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, accessibility is a case of affordability as well as timeliness.

When extra billing is involved it means that some people very much do not have access to treatment. We are looking at all five principles to make sure that as much as is possible within our system we can withstand the pressures that are there. We have the best health care system in the world, bar none.

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, my supplementary question is for the Minister of Health. The minister has reduced access to health care services in her recent decision to cut funding to British Columbia.

Access to health care is the right of all Canadians. How can the minister say she is complying fully with the Canada Health Act when her actions are making health care less and less accessible?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, it was not a choice I had. I had a duty to enforce the Canada Health Act.

The Canada Health Act is very specific. Extra billing is not allowed. Once a year provinces are asked to submit a report on the extra billing that is going on in their province. When this report was sent to me I had no choice but to act on it because extra billing restricts access for people.

I ask the hon. member, how can paying extra money for a physician give everybody better access? All it does is make some physicians richer than others.

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PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in our gallery of Mr. Riccardo Jagmetti, Speaker of the Council of States of the Swiss Confederation.

Government Orders

Some hon. members: Hear, hear.

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WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table explanatory notes and a notice of a ways and means motion to amend the Excise Tax Act, the Excise Act and the Income Tax Act.

I ask that an order of the day be designated for consideration of the motion.

GOVERNMENT ORDERS

(1505)

[*English*]

CANADA STUDENT FINANCIAL ASSISTANCE ACT

The House resumed consideration of the motion that Bill C-28, an act to respecting the making of loans and the provision of other forms of financial assistance to students, to amend and provide for the repeal of the Canada Student Loans Act, and to amend one other act in consequence thereof, be read the second time and referred to a committee.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, it gives me a great deal of pleasure on behalf of the constituents in Hamilton West to speak at second reading of Bill C-28, the Canada Student Financial Assistance Act.

Contrary to the views espoused by certain members opposite, this bill should have nothing to do with the politics of separatism or the political autonomy of our provinces. All we are trying to do with this legislation is ensure that our citizens have adequate access to post-secondary education.

The government realizes that many Canadian students need financial assistance in order to achieve their academic goals. The government also realizes that the provinces cannot address those needs alone which is exactly why the Minister of Human Resources Development has chosen to work in concert with provincial authorities to try and provide sufficient financial aid to college and university students in this great country.

The legislation before us today provides proof that the government is committed to the principle of protecting access to post-secondary education. This principle is an extremely important one to uphold if for no other reason than simply to ensure that all Canadians have the opportunity to intellectually empower themselves through post-secondary education and training initiatives.

Debate on the issue of financial assistance to students across Canada seems quite timely and highly appropriate when one considers the fact that thousands of secondary school students will receive acceptance to a Canadian university or college within the next 30 days. Many of these students will apply for and receive financial assistance from federal and provincial sources in order to obtain enough money to finance their post-secondary education.

However unless we act now, many more students will either be unable or unwilling to pursue a college or university education due to a lack of funds.

In addition to the students trying to enter college or university for the first time, there are several thousand who will graduate this year with a substantial debt load, in some cases as high as \$15,000 and even \$20,000.

The time has come for the federal government to respond to the increased financial burden faced by those Canadians who seek to further their education. We must work together to provide incentives for people to pursue higher education by replacing the archaic provisions of the Canada Student Loans Act with legislation that is more reflective of the changing financial needs of Canada's student population.

In the process of representing a riding with a high university and college student population, I have had the opportunity to speak with a number of students and parents of students at McMaster University and Mohawk College, both of which are located in the great city of Hamilton.

The students in my riding have brought forward a number of concerns related to the Canada student loan program. For example, with the rising cost of university and college tuition, students are uncertain whether their weekly student loan allocation will cover their basic educational costs. Students who have received loans from the federal government are frightened about the debt and increased burden they will have to bear by the time they graduate from college or university.

In this regard many students are calling for the reinstatement of the six-month post-graduation interest free loan period that was removed by the previous government. Many students who cannot afford to go to school on a full time basis have been forced to attend school on a part time basis while holding down part time jobs in order to earn enough money to keep food on the table. In some cases these students are single parents or re-entry women and men trying to upgrade their academic skills while supporting a family at the same time.

To make matters worse, there has been a ceiling of \$2,500 per academic year applied to students enrolled in part time studies even though the cost of part time post-secondary studies often exceeds that amount in tuition and textbooks alone, not to mention room and board.

Government Orders

There is also the issue of the often exceptional costs faced by students with special needs such as students with disabilities and students who suffer from severe financial disadvantages, many of whom would benefit from a national system of targeted grant funding.

These are just some of the fundamental concerns that the government is attempting to address by means of Bill C-28. After nearly 30 years it seems reasonable to think that the Canada student loans program is long overdue for fundamental reform.

(1510)

When we look at weekly student loan allocations, for example, we see that they have been frozen for over a decade now. Yet in the same span of time, the costs associated with post-secondary education have skyrocketed by some 58 per cent. This scenario is absolutely ludicrous and appears to defeat the principle of trying to provide adequate financial assistance to those who need it in order to defray the rising costs of their education.

In addition to addressing issues of access to post-secondary education, the government is also prepared to address the costly inefficiencies that have been identified in the Canada student loan program as well. Outdated eligibility criteria, inconsistent need assessments, loan defaults and inefficient program delivery are some of the key problems that are recognized and addressed by the proposed legislation.

It should be noted that the proposed changes to the Canada student loans program have met with positive response from many of the students in my riding of Hamilton West. For years student organizations such as the McMaster Student's Union and the Canadian Federation of Students have called for higher weekly loan limits, greater repayment flexibility and a national system of grants for needy students.

The proposed legislation will increase weekly loan limits by 57 per cent from \$105 to \$165 for full time students and will also increase the part time student loan limit from \$2,500 to \$4,000. The government also intends to establish special opportunity grants for disabled students and students with serious financial needs.

In addition to raising loan limits and providing needs based grants, the government is also committed to establishing a more flexible repayment schedule for college and university students. The proposed legislation allows the federal government to conduct a meaningful income contingent repayment pilot project in order to determine whether or not this type of funding model which has been implemented with mixed results in other nations is worth pursuing at all.

Perhaps the most important aspect of the proposed legislation is the message it sends out to all Canadians about the degree of importance the government has placed on protecting access to higher education for all Canadians. By proposing the stated reforms to the Canada student loan program, the federal government has taken a giant step toward strengthening our overall system of education and training.

In closing, I want to point out that this legislation is not about separatist politics or the constitutional implications of provincial responsibility for post-secondary education. Bill C-28 is about access to higher education in Canada, plain and simple.

All we are trying to do is ensure that Canadians who have the desire, the ability to pursue post-secondary studies are provided with the funds to do so. A high quality accessible system of education will be the salvation of this society.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I want to thank my colleague for his comments.

I was disappointed that this rather comprehensive and bold initiative that responds to actual problems that young people are experiencing has not been applauded by the opposition parties.

I stand to be corrected if I am wrong. From the official opposition we have heard some noises, some rhetoric about our getting into provincial responsibility. There is an opting out clause there. Provinces can opt out if they wish. I do not see why that point was made and I wonder if my colleague would explain why the Bloc Quebecois would want to do that.

We all know that young Canadians need more assistance. That was documented in the 34th Parliament and finally in the 35th Parliament the government has acted. It has not only raised the amount of loans available and grants for those who are under represented and made repayment much more sensitive to those who have to repay but it has taken a number of measures quite apart from the job creation initiatives to make life more bearable for students.

How in the world is that involved with politics? I wonder if my hon. colleague at the same time, because there are two questions, would care to briefly define the Reform Party's position on this legislation.

(1515)

Mr. Keyes: Mr. Speaker, I am not sure whether I want to thank the hon. member for St. Boniface for the question because I would not dare try to speak for our separatist friends opposite.

To answer my colleagues question in its simplest form, the parties opposite, especially the Bloc in this case, have to realize that education is not some sort of commodity like pork hocks or apples. It is a national principle. Education is a national principle. Education is a natural resource and I am now working with

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the minister to prove how the country can actually export this natural resource.

We have a natural resource called education. With this bill, as I have outlined, we want to do many things to make post-secondary education accessible to all Canadians, whether they are working or not working, whether they are young or old, whether they want to be retrained or whatever their situation. They must have equal access and not just because they have some money in their pockets they can go to school. That is not very fair.

If the Bloc can take politics out of the issue, if the Bloc can understand that we are not talking about the resource of education being something with which to balance the books or to trade off. If Bloc members say that with the bill the federal government is attempting in some way to make a power grab away from the provinces, especially the province of Quebec, they are missing the fundamental point that education is not a commodity.

Education is a natural resource. Education is something precious that must be made available to all Canadians whether they live in B.C., in the Northwest Territories, in Ontario or in Quebec.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, the hon. member says a lot about the value of education in his speech. We can easily go along with him on that because education is important, that is a fact. But when we educate our young people, we explain to them that contracts are important. We tell them that a contract is binding, whether it is a handshake or in writing. From being with educators, I know that they spend a lot of time telling them that it is important.

Well, the best-known contract in this country is the Canadian Constitution. What does this Canadian Constitution say? It says that education is exclusively in provincial jurisdiction. We can take a long time explaining the values of education and where we stand on it, but everyone in Quebec seems to agree that education is important. We must do everything required to make education better. One way to do that is to avoid duplication and to act as consistently as possible in co-operation with the educational partners in a province.

Now the hon. member opposite tells us not to worry about the Constitution, that it is not serious, that these are problems and annoyances which the Bloc Québécois seems to want to bring in. So I ask him whether the Constitution and a contract and everything legal really have any value for him. I would like to know his position on that.

[*English*]

Mr. Keyes: Mr. Speaker, I thank the hon. member for his question. I suppose we have to keep in mind that if the federal

government could unilaterally afford to provide students with enough money to carry out their educational requirements it would do so. If the provincial governments could provide the funds necessary all by themselves for students to obtain post-secondary education, there would be no argument. Obviously there has to be some teamwork. Even in question period today we saw the wall going up between the hon. member's party and the Government of Canada. As much as we see that wall going up we are not going to be threatened. The Bloc must understand it cannot do it by itself. Quebec cannot do it by itself.

(1520)

We can all work better in education if we work as a team. Together we can make that education possible without money being the inhibiting device for our students. Ask any one of our pages in the House today. They know what it is like to work all kinds of hours, go home, grab a meal where they can grab one and get through their education. Do they care whether Quebec is paying for it by itself or whether the feds can? I do not think so.

Mr. Geoff Regan (Halifax West): Mr. Speaker, I am very pleased today to speak on the issue and in support of the government bill.

I graduated from university about 11 years ago, in 1983. Since then or over the past 10 years there has not been any increase in loans for students. The bill is about our future. It is about our young people. It is about education and access to education for people so they can go to university and take part in our society.

From 1990 to 1993 people with lower than high school education saw a loss of 17 per cent in the number of jobs they could have access to. For those who had a high school education there was a loss of about .5 per cent. Those with beyond high school education, with post-secondary education, there was an increase of 17 per cent in the number of jobs available for them.

We can see the impact and the importance of education. We can see the need for us to have access to education and the need for a bill that finally remedies the problem we have seen over the past 10 years of erosion of student loans because of inflation. It is very important that we support the bill.

The reforms being made to student aid are an essential part of the government's broader strategy. We want to work with the provinces and interest groups to revitalize learning and training in Canada. To compete in the global marketplace and to respond to increasing technological advances we have to ensure that our education and training systems are relevant, effective and accountable. We have to take action now so that tomorrow's graduates are able to compete and prosper.

It has long been a hallmark of Canadian society that every person should have access to educational opportunities to develop to his or her full potential. It is well known that education and training have two important goals: to prepare individuals for

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fulfilling social and cultural life and to prepare them to contribute as productive members of our society.

Provincial jurisdiction over education in Canada is clear. The provinces have already begun to implement reforms which seek to make Canadian learning systems more productive and accountable for results. Canadians in all provinces are well aware of the importance of ensuring that education meets the challenges of modern society as we approach the 21st century.

Their recognition of the need for new visions and new approaches is shared by the federal government. As education and training are crucially linked to the economic health of any nation, the federal government would be remiss not to facilitate and support all efforts which seek to prepare young Canadians for the future.

It is recognized that the concept of lifelong learning requires the involvement not only of governments but of parents, teachers, business, industry, labour and communities. Substantial financial support is provided by the federal government for education at the post-secondary level. Over \$6 billion a year is provided to the provinces under the established programs financing arrangements, the EPF program.

The federal government has always maintained a strong interest in fundamental values relating to quality education and training which are shared by educational jurisdictions across the country. In this regard the government remains committed to assisting the provinces in providing whatever support it can to ensure the efficiency of our learning systems.

(1525)

The new Canada Student Financial Assistance Act is an important part of efforts being made in this area. Our youth employment and learning strategy announced on April 15 committed the federal government to support along with the provinces a number of other key initiatives. These include the development of clear national goals and expectations, updating and improving existing measurement tools, promoting technology and innovation in learning, and facilitating the dissemination of information on important learning and labour market issues.

We are confident that all these measures will contribute to improvements in education and learning throughout Canada. They will greatly assist Canadians in developing, acquiring and maintaining the skills and knowledge they need in today's world. Our citizens must be able not only to enter the workforce successfully but to be able to adjust to changes in the labour market. For that they need education.

Indeed it is important to recognize that education and training processes are seldom if ever constant. While it would obviously

be much easier and less costly merely to maintain what is already in place, it is not good enough. In view of rapid unwilling changes in today's global economy, we must always be alert to ensure that our learning systems are relevant and current. Modifications and new initiatives must be introduced to address emerging issues and new realities. This is what the government intends to do. While we do not dispute that these challenges are formidable we must not be fearful to act.

Canadians do not lack the initiative or desire to compete. We have every confidence in the ingenuity and commitment of individuals who are endeavouring to get ahead by pursuing post-secondary educational opportunities either full time or part time. Canadian students must have the right tools to enable them to undertake their studies and produce results that are meaningful and positive. This is why the government has introduced the bill before us.

Obviously one of the major barriers standing between students and post-secondary education is the lack of significant financial resources. Students have repeatedly indicated over the years—I heard this during the election campaign and since—that they need more financial aid to meet the rising cost not only of their education but of their basic living expenses. And our pages know it well.

We should make clear at the outset that students are not asking for a handout. They are seeking financial support for the time while they are in school. They are well aware of the expectation that they will repay what they borrow as the great majority of former students do and as I did about three years ago when I finished paying off my student loan. The great majority of students pay them off once they begin to work.

Student aid reforms therefore seek to increase the maximum amount that students both part time and full time may borrow. While it may seem to be a big increase, let us not forget that loan levels had been frozen for the past 10 years. The new loan levels the bill proposes merely reflect the realities of today's costs. These measures will also make grants available to students with special financial needs, including those with disabilities, women in certain doctoral programs and high need, part time students. Deferred grants will also assist borrowers with significantly high debt loads.

New financing arrangements with lenders, revised eligibility criteria, improved need assessment and greater flexibility for new federal-provincial approaches to student aid are part of the reforms being provided in the bill. All these measures are aimed at establishing a fair, consistent and accessible student aid program. The government is confident the reforms will contribute significantly to achieving the overall objectives of the youth employment and learning strategy.

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The emphasis of our strategy is toward greater effectiveness, inclusiveness and accountability. A learning system shows its true value if the end results are clear, meaningful and relevant.

The federal government will also contribute to support the efforts of provinces, the private sector and community groups to develop initiatives designed to reduce dropout rates. That is absolutely a critical part of this bill and of our government's program.

(1530)

Canadian youth must be made aware of the vital importance of education and training in terms of their own futures and be encouraged at every opportunity to develop their skills and abilities to full potential. That is what life long learning is all about.

We must ensure access to learning systems based on excellence and relevance in terms of providing people with the skills needed to be productive and self-sufficient members of our society. We must ensure a smooth transition from school to the workplace.

Many people today are understandably disillusioned if their education and training does not enable them to move into the workforce. It is only natural that students expect their hard work and commitment to yield positive results and it is most discouraging when this does not happen.

In fact, I have students in my riding who have graduated in various areas and are looking for jobs. They are having a tough time and for them it is discouraging. I see that in people when I meet them in my riding. Not only does the individual suffer in this case but the loss in terms of wasted resources and untapped potential hurts the educational system, the labour force and indeed the Canadian economy and society as a whole.

Accordingly, a number of key elements of our youth employment and learning strategy relate to the important goal of providing young Canadians with practical labour market skills and meaningful work experience, like the co-op programs at Mount Saint Vincent University located in Halifax West. These programs are a key element in moving into the workforce.

Our initiatives are aimed at addressing specific problems which prevent Canadians from participating fully in society, including high dropout rates, limited access to post-secondary education and lack of work experience. We are certainly not willing to nor would we need to begin from scratch. There are many positive features of our education and training systems and we intend to build on what has worked well in the past.

It is imperative however that we also consider new approaches to meet today's realities. We are seeking to build solid structures which will help to eliminate problem areas associated with the transition from school to work.

It is important to recognize that our reforms and initiatives relating to youth employment and learning are not meant in any way to offer anyone a free ride or an easy way out. Individuals have a responsibility to take advantage of the opportunities available to them and to apply themselves to the fullest extent possible.

If governments can ensure that world-class education and training systems are in place and that access is maintained through viable student assistance programs, we are confident that Canadians throughout the country will provide the determination, hard work and commitment which are all necessary components for success.

Basically, what all Canadian students are saying is: "Give us a fair chance. Give us the support we need as we pursue learning and training opportunities".

Canadians from all walks of life and from all regions of the country recognize the vital role education plays in their lives. They are willing to make sacrifices and to do what it takes to achieve their learning and employment goals.

Canadians are not expecting guarantees. All they really ask for is access and opportunity. They have the confidence it takes to succeed. We must build upon that confidence by providing all citizens, including those with special or exceptional needs, with a chance to develop and show their talents and abilities.

We cannot expect individuals to contribute to society in a meaningful way if they believe they have received unequal or unfair treatment or have been excluded from opportunities.

The Acting Speaker (Mr. Kilger): Order. I know it is difficult when members share their time, but I regret that the member's time has lapsed. It is time now for questions and comments.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I think the hon. member is the third speaker from Nova Scotia to address this issue today.

My question relates to how universities are funded in the various provinces. It is interesting to note that Nova Scotia, perhaps more than any other province, funds students from outside the province. Dalhousie and some of the other universities attract a lot of out of province students. Unfortunately, under established programs financing the funding these universities receive is on a per capita basis, based on the population in the province.

(1535)

Does the hon. member agree that it makes a lot more sense to give this funding over to the students? They could purchase their education with a voucher. This would ensure that some of these Nova Scotia institutions would get the funding they need to continue to support the high level of students they get not only from their own province but from other provinces as well.

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Mr. Regan: Mr. Speaker, I want to thank the hon. member for the question. I am glad to see he is so aware of the situation in Nova Scotia. We do have a large number of universities and it is a concern. With so many universities per capita we are providing so much brain power for Canada from Nova Scotia.

The question of funding of course has been an issue in our province certainly because of the fact that we have a large number of universities producing excellent graduates. With the funding coming per capita it is a problem and a concern.

I have talked with students in my riding of Halifax West who have been very involved in their universities and have been involved in looking for improvements to the student loans program and student financial assistance. They have strong objections to the idea of this voucher system. They do not feel that it is workable.

The first and most important step is to give students the loans and the kind of financial support that will give them real access to university and this bill does that. By substantially increasing student loans for the first time in 10 years this bill finally takes that major, most important big step of moving us toward a situation in which people can actually gain equitable access to universities and post-secondary education. That is the key and it is very important.

[Translation]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, helping students is an excellent thing. I have two short questions for the hon. member. First, why not give these amounts directly to provinces, so that they can help students? Second, in regions such as my riding, where there is no CEGEP, college or university, would it not be possible to provide a little bit more financial help to people who live far from these institutions?

[English]

Mr. Regan: Mr. Speaker, unfortunately I was not able to hear entirely what the member said as I had a problem with the translation. However I want to point out that I know there has been a lot of—

The Acting Speaker (Mr. Kilger): If I can be of assistance, I will beg the indulgence of the House and I will ask the member for Matapédia—Matane—

[Translation]

—to repeat his two questions as concisely as possible, so that the hon. member for Halifax West can understand him and give his reply.

Mr. Canuel: Mr. Speaker, I am delighted to oblige. I started by congratulating the hon. member by saying that helping students was an excellent thing. I asked him first if it would not be better to send the money to the provinces, so that they could help students.

Then, I asked if it we could be a little more generous in those regions, particularly in rural areas, where there is no university or college. Indeed, if you live close to Laval, that university is easily accessible from your parents' home, which makes things relatively easy, but it is a different matter if you have to travel 200, 300 or 400 miles.

[English]

Mr. Regan: Thank you, Mr. Speaker, for your indulgence. I thank the hon. member for his question.

[Translation]

Next time I will try to listen more carefully. I tried to listen in French because I wanted to make sure I understood, but I was trying to translate. I apologize for that.

[English]

It is an interesting idea that we should transfer this whole responsibility to the province, but I think we have a joint responsibility. People from my part of the country believe very strongly that we need to have a strong education system all across Canada, that we have an interest across this country, whatever province one is in, in having students coming out of post-secondary education who are well educated and have had access to education all across this country. They look to the federal government to be part of that system, to be part of providing and ensuring that access.

(1540)

To relegate it entirely to the provinces is not what people are asking for in my view. In fact, they are asking for us to be involved and to play a role. For instance some of the provinces lack the financial wherewithal to overcome these problems if they did do it on their own.

Mr. Ken Epp (Elk Island): Mr. Speaker, I join in this debate with great delight today, since I am one among all members of this House who have received an education.

I remember seeing a bumper sticker which said: "If you can read this, you're too close", but I think a much more poignant bumper sticker reads: "If you can read this, thank a teacher". All of us are beneficiaries of the education system in this country, myself included.

I began my schooling in a very small rural school in Saskatchewan. As a matter of fact I was instrumental in saving the school from being closed. I was the fifth student and that was at the margin where it would have been closed. Later on I had the privilege of being one of the first young men from my community to go to university in Saskatoon. There I jumped into classes of 200 to 250 students which was a remarkable transition from my earlier school years.

I am one who is a very firm believer in education as are all the members of the Reform Party. I think I can say that unequivocally not only for the members of this caucus but also for the members of our party throughout this country.

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There was a question asked not long ago in this House by the parliamentary secretary. He asked one of his fellow Liberal members to explain the Reform position on education. Fortunately the Liberal member declined.

During the last campaign various attempts were made at stating what the Reform position was by our opposition parties. If I can say so with great respect, there was a great deal of distortion in the explanation by our opposition.

It should be known that we based our position on consultation with a wide variety and a large base of our constituents, of people in our ridings, on a consensus for what the priorities of spending should be. It is totally clear that this country is in financial trouble. I am going to come back to that a little later in my speech, but we are going into debt at the rate of \$1,200 per second. That is how fast we are going into debt. That cannot continue if we are going to keep this country from going down the tube. Consequently the Reform Party has assumed leadership in asking the people of this country what should we do first, what are our priorities?

Contrary to what many people said about us, our own members, Canadians, told us—and we are a party that responded to it—that the very first item to be maintained in terms of spending and keeping it healthy and strong was our health care system. That was the very top item. That was in our platform. We stated it, it was in our documentation, and there was no excuse for there being any misunderstanding on that point.

The second point on which we were unanimous and where we said it was very important for us to be strong and healthy was in the education of our youth. In fact our policy stated—and I challenge any member here to check it out if they want to go back to the documentation from the campaign—that present levels of funding for education should be maintained or even increased, if possible. There will be found in the Reform Party a very strong level of support for education.

All of us know how important it is. I do not think I need to spend a great deal of time speaking about how important education is. Can we imagine living in a society where very few of us could read or write? The majority of us can read and write, but we occasionally hear of this thing called marginal or functional illiteracy.

(1545)

That is something that we must continue to address but the fact is that in this country every individual is entitled to that starting education. As students proceed through the years, for various reasons they reach a certain level of education and stop their formal education.

I want members of this House to know that I have a lifelong career in education. I chose to become a teacher when I graduated from high school. On the influence of a very effective teacher whom I had in high school, I changed my career choice to one involved with young people.

I was a young person at the time, but he challenged me to become involved. I am still young, yes, half way to 110. I was challenged to work with young people. Frankly, I have enjoyed it. I taught high school for four years. During the first three years of that career, I was the math department in a small rural school with some 150 high school students. I taught all of the maths from grades 9 to 12. It was a delightful experience.

I taught in a very large city high school for one year. For reasons that I will not go into here today, I decided not to stay there. A wonderful opportunity came up. I received the opportunity to work in a technical institute, a post-secondary education institute in Edmonton, the Northern Alberta Institute of Technology.

Prior to this rather abrupt career change that I experienced last October, I worked there continuously for 27 years, teaching and working with young people. I always felt that I was a failure as an instructor if I only taught my students what I knew. I had to go beyond that and teach them how to learn.

My greatest successes were those students who passed me in knowledge and who went on from the technical institute. In some cases they went back to the university and exceeded even what I knew which—I suppose I should be modest here—is not that great.

During that time I encountered a number of students who quit school during the time they were at the institute. They stopped for various reasons. Some realized that after they got into this program of studies it was not the right one. Some left because of home pressure or home difficulties. The most heart wrenching ones were those who stopped because they ran out of money.

I feel very close to this question today. How do we effectively arrange our affairs so that our students can go on in their education to the very apex of what they are capable? Only as we do that will we have a society which benefits from that.

I know that we are all pleased that the majority of us can speak, read and write. Unfortunately in my field of math the academic strengths out there are not that strong. In fact, I have been doing a little ongoing survey. When I tell people that I am a math instructor, I find that about 95 per cent of them right away respond by saying they hated math. I guess there is a flaw in that.

Not many years ago the question of sex education in school came up. When we were discussing whether this should be taught in schools, one of my colleagues indicated: "Why not? If the schools teach it the way they teach math and physics, the children will lose all interest in it".

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I need to get back here. We want to train our young people to the very apex of their abilities. Though we like the majority of them to be educated, it is true that we owe our high standard of living to a select few among them. These are the students who go past high school, past their undergraduate degrees. They become our scientists, engineers and researchers and we must do all that we can in order to accommodate them.

(1550)

In his opening comments today in introducing this bill, the minister said that we need reform. As soon as I heard the word my heart just fluttered with delight. After that he said we need fundamental reform. While I gave an accolade to the government for at least addressing the question and recognizing that in the past number of years our financing and our help for students to carry on with their education had suffered, I looked to see where this real reform was coming from in this proposed bill.

I would like to humbly recommend some changes to this bill. We need to get down to the fundamentals. What I observe in this bill is not a reform, a rethinking, a reinvention or real good creative thinking. What I picked up was "We are going to take what we have done before and just make more of it". Where we used to limit the loans to \$2,500, we will now make them \$4,000. Where we used to have students under great financial pressure to pay their loans back, we will now make that a little easier for them. I applaud that. Those are very necessary steps if that is the route that we are going to take.

However, there is a marked absence of creative and lateral thinking in actually looking at the solution to this problem. Regardless of which method is chosen to finance education, it costs the taxpayers money. We want to use that money as efficiently as possible. There is no doubt in my mind that dumping money from the taxpayer to the different levels of government and then dumping it back again with these big dump trucks, having no accountability for how it is used, is one of the greatest detrimental features to the effectiveness of our educational system. I certainly think that we should do something a little more creative.

Other speakers in our party talk about the concept of the voucher. It has a great deal of merit. I challenge members opposite to stop and really think about what it does. First, it grabs on to a catchword that we have nowadays, and that is choice. If we were to give individual students a sizeable voucher, one that would cover their total cost of education in whatever university of college or technical institute they choose, they would then have a total choice. Too often their choice of where they go for their schooling is imposed on them by financial restrictions. If we gave them the voucher, they could go to the school where they themselves have determined

they can benefit most and therefore return to us the taxpayers the maximum benefit.

I have also thought that we should not have students working when they are studying. Most of the time that is a distraction from their studies. I have thought of this: Why do we not reward them for what they are actually supposed to be doing when they are students? Why do we not give them the opportunity to earn money by being good students? One thing I thought of was why do we not have tuition that is refundable as a percentage of their performance in their classes? Give them a real reward for the effort that they put out.

I was a student way back in the mid-fifties. I realize now in looking back at it that I lived in an ideal world. When I wrote my university exams in spring, if I finished in the morning I was on my job at noon. A week or two before the exams my boss whom I had worked for the year before asked me: "Ken, when can you come to work? I need you". I drove a truck as my summer job. He had some hauling to do and he needed me. It was wonderful.

What is the difference between then and now? I went through school without a loan. I came out of school after five years of university, having been completely self-supporting without any debt. I paid my room and board, my clothing, tuition and books and I had money left over. I made a dollar an hour on my job which was about 50 per cent more than I needed.

(1555)

What was the difference? There is a remarkable coincidence. If we go back to the mid fifties and sixties—I graduated in 1961—those were the years before our government started cranking us into a huge debt hole. Those were the years when there was consumer confidence. There was business confidence. As a result there were jobs for us during summers and on graduation that were waiting for us.

When I graduated from university, I had a choice of jobs. I cannot help but make the connection that there is some correlation between the level of debts of government and the burden that has placed on all of us and the dampening effect that has on our economy. That is the reason why our young people are now in this bad situation.

I cannot help but think that this government is missing a great opportunity. This government thinks in terms of: "Let's borrow more and spend more and thereby get out of our problems".

I am very disappointed with this bill which among other things provides a mechanism to allow students to graduate from university or college with a maximum debt load. I wish we could stop thinking about borrowing and debt and start being creative so that students can earn their way as they go and come out without a debt as we did away back then. We would really have a strong economy as a result.

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I believe that my time is almost up. I conclude by saying that there are some areas in this bill which I think we really ought to look at. I am not sure that we are wise in choosing to target certain groups for special consideration. I really do not believe that we should be saying that you are special if you are of a certain gender.

When I fly in an aeroplane, drive in a car or go over a bridge I really do not care about the gender of that engineer, but I do care a lot about the competence of that person who designed and built the structure to which I am entrusting my life.

I think it is myopic at this stage in our society to keep dividing people into this category, that category and that one. We ought to begin treating all of our students equally regardless of gender or race or ethnic background or what language they speak. Let us treat them equally. Let us give them a voucher. Let us give them freedom of choice. Let us give them the maximum opportunity to go out there and do the very best they can with their lives.

I really encourage this government. I think it is on to something here. It is starting and at least facing the question. I sincerely wish that it would step back and try to be more creative.

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I listened with great interest to my hon. friend from the Reform Party. I commend him for his dedication to education and recognize his long career as an educator. Certainly he has some very positive things to say to government about education.

I was so encouraged by much of the hon. member's speech that I expect he will be supporting this bill when it goes through. I certainly hope he will do that.

I would make a suggestion to the hon. member, and I speak from experience also, being someone who worked his way through college without student loans and so on. I recall those days in our situation just breaking even with what one could earn the summer and what it would cost in the winter. In thinking back on that education system we had in the late 1950s, our course was very heavily subsidized by government. Therefore our tuition was relatively low by today's standard. We lived in residence and our board was relatively low by today's standards. I suggest that all the costs cannot be laid on the shoulders of the national debt. It seems to me there was a different approach toward education at that time. In my case, which was agricultural college, agriculture was considered enough of a priority so most of the costs of those courses were paid for by government.

(1600)

I would like to respectfully ask the hon. member if he will support this bill and in so doing be able to contribute to the education of our young people across Canada. Perhaps he could bring these new ideas and suggestions to our government.

Mr. Epp: Mr. Speaker, I thank the member. I respectfully differ with him in terms of government involvement in our education vis-à-vis what it is now.

If I am not mistaken, I believe the involvement of the government directly in education then was about in the same proportion as it is now. Somewhere between one-half and one-third of the costs were borne by the students through tuition and the other part was subsidized. It depended again on what kind of study was pursued. If you went to medical school or some of the highly technical oriented places where the lab and shop equipment was very expensive then of course the government involvement was higher.

However I do not quibble with that. As a taxpayer and as a citizen I think we are very, very wise to invest in education. That is one of the things government should be doing. It is not something that should be left to go by itself. The government has a legitimate role to play. However in the actual practice of it, to introduce a degree of competition by vouchers, to introduce a degree of accountability by that I think can only improve our educational system.

The member asked whether I would be supporting this bill. If the choice is between the status quo and what this bill provides as an improvement, I think I will have to support it because it is an improvement. It is better than what we have, but it is not going far enough and it is going in the wrong direction.

I still have to study the bill some more to see the details. Hopefully the committee will come up with some good amendments. Maybe we will be able to introduce more elements into it which will reward those who are diligent, who work and come out the other end without the debts instead of penalizing them at the expense of those who incur a debt.

One of the features of this bill is that if you happen to run up a really huge debt you can get part of it forgiven. However if you are astute and you live on potatoes and rice because there are those times when you have to be really frugal—as some of us did, and you can see I had my share—the fact is the frugal individual is the one who forgoes the benefits. In a way he is penalized.

In education, as in all areas of life, we need to reward the actions and activities we want. We should somehow be punishing those we do not want, instead of vice versa.

Mr. Reg Alcock (Winnipeg South): Mr. Speaker, it is with some pleasure that I join in this debate today.

I am the member for Winnipeg South and the University of Manitoba is in my riding. I was post-secondary education critic for our party when I served in the Manitoba legislature. I have taken a great interest in the situation as it affects students in my province at the university in my area and certainly in all of this country.

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I am one of those, and I expect it is shared by most members in this House, who believes that education is a public good. I note a member opposite who serves with me on the human resources committee. We listened to submissions on employability on that committee.

One of the things which was noted very quickly is that the job creation rate for people with a university education, college training, or a profession is something in excess of 10 per cent a year. However, the job creation rate for those without post-secondary education, for those with less than high school education, is minus some 17 per cent and declining. It is a very, very serious situation.

(1605)

We all benefit, all of us. Not just the person being trained but all of us who live in this country benefit by having a populace that is well educated, well trained, productive, et cetera.

The question is what do we do in support and in pursuit of that public policy? That is what this bill is attempting lay out a framework for. It does not answer all of the questions but it does make some very innovative changes to the current legislation which provide for some fairly major improvements in the way we as a community support those people who are able to achieve a standing at a university or college.

I want to deal briefly with one piece of information which was mentioned just before I stood up to speak. That is the question of the level of support which is currently provided for students versus what was provided.

While there is some variation between smaller colleges and universities and the more major institutions, students do not pay one-third to one-half of their education. At large universities they paid 15 or 16 per cent. This has slowly ratcheted up over the last few years as a result of, I believe it was the Smith commission report which looked at the share that students should pay.

At the University of Manitoba it is around 19 per cent right now that the student revenue is comprised of total expenditures at the school. There is a covert, if not an overt, policy in place to bring that up to 25 per cent, which I think was the level recommended by Dr. Smith, believing that gave students more power and a little more clout in their negotiations with universities.

The dilemma is that despite the fact we give lip service and stand up to make statements about the importance of education and we examine the value of an education and understand this is something which is a major improvement to life in our communities, as a country we have not provided very significant support to students, particularly in this last eight years.

One of the things we did right away in 1984 as a country—it was done by the former government, but it was done in this Chamber—was we froze the amount of money a student could borrow or could claim for cost of living. From 1984 until this year the amount of money they could claim for food and housing was frozen. That put students in a very difficult position. The cost of living did not stop going up. People still had to pay for their apartments and their meals.

What we did part way through the last eight years is we changed the regulations relative to work. I think the previous government felt what should be done was to allow them to work more part time but still consider them full time students. By doing this it would somehow allow them to shoulder more of the costs and therefore pay for their own education and not be a drag on the public purse.

Unfortunately that put students under enormous pressure. People began working at those part time jobs. They had to in order to pay for their living accommodations and to feed themselves. As someone who has had the proverbial potatoes and rice also, I can assure you students are not eating a whole lot better now. It forced them to take time away from their studies. It took time away from the pursuit of excellence in their education. It put them in the position of having to work continually to sustain themselves and at the same time trying to get that education.

You could get by if you were a student from a family that was intact and you could live at home, or your family lived close to a university and you could live at home and commute. If your family lived in the rural area or in the northern parts of the province and you had to live in residence, or you were a student who for any one of a number of reasons came from a home that was either too impoverished or too disparate to offer any support, you were in a very difficult financial situation.

(1610)

Almost from the time the government changed the regulations we saw a very gradual but significant increase statistically in the number of part time students at universities and a decrease in the number of full time students. That was even factoring out the influx of older students who pick up the odd course.

That was because students found they could not do both things. They could not go to university full time and work what they had to in order to sustain themselves. All of a sudden three year degrees were taking four or four and a half years. Those students who, had they been able to concentrate and work full time on their studies, would have come out with degrees and excellent averages in good preparation for graduate school were unable to do that because they were forced to spend so much time just sustaining themselves.

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What did the government do just prior to the last election? It announced an increase in student loan limits. Looking at that increase and at the regulations which support that increase, the government also changed the identification of what were personal contributions. This was done to the point whereby even though it was seen that more money could be borrowed, it did nothing to alter the underlying ability to assign greater cost to the cost of living.

The government changed the regulations. Instead of basing accommodation on two people sharing an apartment, it based it on three people sharing an apartment. It took things out of the basket of goods students were deemed to need in order to survive at university. The result was that students were put under more and not less financial pressure.

There is another element to the provision of student aid which needs to be talked about because we are the federal government and we deliver these services for the most part through a relationship with provincial governments.

What was happening in my province was that the federal government was providing about \$3,500 in total support. If a student required more support than that, another \$3,500 could be obtained from the provincial government. A very small number of special needs students could access another chunk of money through the provincial government.

One of the concerns we had was that when one was tied to that provincial assessment and delivery of support, as the federal government increased its ability or willingness to subsidize the interest on certain loans, the provincial government rather than also increasing its support would simply decrease its involvement.

I am sorry to report to this Chamber but that is exactly what has happened in my province. I do not know what has occurred in some of the other provinces, but in the province of Manitoba as the federal government has moved to increase the loan limit, the provincial government has withdrawn certain support.

All we have done in one aspect of this program is to transfer an expense on to the back of the federal government. That has to open the door for a discussion about the federal role in funding, the federal involvement with provincial agencies in the assessment and delivery of support. Perhaps we need to look at some new vehicles for delivering support to students. I think you will find that the possibility of that is contained within this bill.

My concern since I first began to work with this is that over the last eight years we were successively constraining the support given to universities through established programs financing. We were holding back on the support that we in pursuit of a public policy took on to the public purse to the point where in some cases the annual increases universities were getting were in the negative numbers.

That certainly happened in Manitoba and in some other provinces. Even when they were getting positive increases they were increases of a point, a point and a half, or two points versus the total cost of living, inflation, et cetera which was at the three or four point range back in the late 1980s.

This caused the universities to look to that 18 or 19 per cent of revenue coming from students in order to make up for the shortfalls in their revenues. We were seeing student fee increases of 15 and 20 per cent year over year. Student fees at the University of Manitoba increased over 100 per cent during the last eight years.

(1615)

In our pursuit of that policy we were taking something that had been deemed to be a public good, that had been funded by the community, by the government in pursuit of a well-educated, productive population, and we were transferring responsibility of that from the government on to students. It has created some very difficult situations.

We gave the students no options on the repayment. We gave them no way out of the hole that we were forcing them to dig for themselves.

I have been given the high sign by the Speaker so I will draw this to a close now and perhaps I can go a little further in response to a question.

I support the bill because it does many things. It enables us to provide some repayment options for students, it opens the door to link good performance to some opportunities in community service, it allows people to deal with their debt management, it provides more badly needed support to students, and it allows us to assess a reasonable level for the cost of living that is also regionally sensitive. These are very profound and long overdue changes which I hope we will pass quickly and get into play.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, I would like to ask the hon. member how concerned he is about the indebtedness of Canadian students. As you know, on average, and I quote from Quebec figures, students owe \$8,500, but for those who graduate, the debt level sometimes reaches up to \$16,000 or \$18,000. The member talked about the tuition fees which have tripled since 1984. Somehow, it seems like the load was transferred after the subsidies for post-secondary education were frozen. That led to an increase in tuition fees.

Also, I think the increase in the debt level should be a concern for all of us. How far are we ready to go? In this bill, when we talk about financial assistance, we are mostly talking about loans, and not necessarily about grants, so that also contributes to the debt level. With the public debt in Canada standing at \$17,000 per capita, we are asking our students to further increase their debt level. Add to that the rather shaky employment situation, and you have 16 per cent of Quebecers going

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bankrupt, including students unable to pay back their loans. Students account for 10 per cent of personal bankruptcies in Canada.

I would like to ask the hon. member if he is concerned about the alarming debt situation our young students are in.

[*English*]

Mr. Alcock: I thank the member for Lévis for the question. We serve together on the human resources committee and I have found his interventions to be always thoughtful.

It is a difficult problem. The member puts his finger exactly on the problem that has confronted students up to this point. We say it is a loan but there is an element of grant here because we pay the interest on those loans for the three, four, five years, up until the time that people begin repayment, and then we pay a subsidy up to a certain amount.

At the same time we know that if we allow people to successfully complete their education, the economy is still performing relatively well for people at that end of the scale. The question is that until this bill we have not allowed them any options, any opportunities to repay. If they get stuck, if they cannot find a job, we have not provided for them or given ourselves the opportunity to provide any way in which they can repay their loan. This bill begins to speak to that. It begins to offer some opportunities, whether it becomes income contingent repayment or some form of community service as an alternative to work.

(1620)

We know that if you graduate university right now, job creation for university students, depending on the region of the country, is somewhere between 11 and 17 per cent. That is pretty healthy. It provides a lot of options, a lot of opportunities for work, a lot of options for people to access employment and repay these loans.

The bigger question is, are we allowing people to have an adequate educational experience or are we just simply putting them into a no-win situation in which they perform poorly because they have to work so hard to get by day to day that they are less competitive in the marketplace when they get out?

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, I am pleased to take the opportunity to voice my support for Bill C-28, the Canada Student Financial Assistance Act. Indeed this is a necessary pillar to ensure quality in higher education in Canada.

Financial assistance to Canada's students is in a very real sense an investment and there are few investments in the country which can be expected to yield as great a dividend as an investment in the human potential.

In many respects the intellect, diligence and perseverance of young Canadians is our biggest asset as a nation, our most precious natural resource. Imagine nearly 1.5 million students, both full time and part time, trying to reflect the future of our country. Indeed, the youth and students of today, though they only represent a portion of our total population, represent 100 per cent of our future. The government is committed to making certain that the rich vein of talent which courses through our youth does not go untapped.

As is the case with other natural resources that are mined the key raw elements of youth, namely creative and artistic minds, idealistic and visionary hearts, and adaptable hands are most useful when refined through education and training.

Bill C-28 is just one important facet of a comprehensive youth employment and learning strategy. It is designed to break the traditional dependency of a young person's educational opportunities on his or her financial capabilities. The bill provides increased financial assistance for students whose pockets may not be as deep as their commitment and potential to achieve.

Generally speaking, the bill has two principal features. First, it provides for agreement between governments and lenders in so far as loans to students are concerned. Second, it allows greater flexibility where the student loan program is concerned respecting eligibility, the total amount to be granted in terms of loans and grants and as well in terms of repayment of these loans.

The bill provides for a new risk sharing agreement with lenders which will see them assume liability for loan repayment to a greater degree.

Bill C-28 also contains measures aimed at simplifying the joint federal-provincial administration of the student loan programs by way of agreement, not by coercion, and thereby diminish the cost of administration of the program and saves that money for actual loans and assistance to students.

The second major component of the bill is flexibility. Under the bill there is greater flexibility with regard to both the type and maximum dollar amount of loans available to students. As well the provinces have the option of opting out of the current program and receiving an alternative form of federal payment thereby respecting provincial jurisdiction and taking into account provincial and regional interests.

Also pilot programs may be established to determine whether repayment plans can be structured on an income contingent basis, taking into account a student's total debt load as well as the student's earning capacity at any given time.

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(1625)

In addition, the new allocation formula provided for in the bill means middle class students may find it easier to qualify for loans than they do under the current guidelines.

As well Bill C-28 portends great things for part time students who will have greater access to funds, both loans and grants, than ever before. The new flexibility will also address segments of our society, including women pursuing advance degrees, and the disabled who have been under represented in certain areas of higher education.

Some members of the House have taken issue with this provision, saying that such a provision will create a division in the country. I submit that the government wants these women as well as the disabled to have an equal opportunity to pursue the higher levels of education. Contrary to what others say, we are only trying to make the playing field level for them as well, and where in the past, history has made a mistake, to correct the past mistakes of history.

It is important to note that these general improvements will translate into very specific and measurable benefits for students. First and foremost, loan limits will be increased by 57 per cent, thus the full time loan limit increases from \$105 to \$165 weekly.

Students with permanent disabilities may qualify for grants of up to \$3,000 annually to help cover transportation, interpretation and other technical courses necessary as a consequence of their disabilities.

A special opportunities grant would be made available to women pursuing doctoral degrees in fields where they are currently underrepresented and part time students will have the ability to apply for loans whose maximum will be raised from \$2,500 to \$4,000 annually. A \$1,200 grant will also be available to part time students who are able to demonstrate other exigency needs. Different grants would alleviate the heavy burdens which rest with so-called high need borrowers.

These sorts of provisions are intended to respond to the demands the government has heard from students nation wide. These measures are the best indication yet that the government is not simply talking about tending to the needs of our youth but is in fact acting quickly and with an eye toward sweeping future improvements.

The young scholars of today are the women and men who must have the tools to lead Canada into the 21st century with research, innovation and determination. It is they who will need to lay the cornerstone of the much talked about information superhighway. It is they who will need to provide the brain power necessary to realize innovations which will make life more productive, more enriching and more fulfilling for all of us, for all Canadians.

To accomplish these formidable goals they will require the kind of exhaustive training and educational background which is most often furnished by Canada's many excellent colleges, universities and vocational schools.

It is for this reason that the government will not force young Canadians to make tremendous debilitating financial sacrifices in order to further their education. The government is acting in partnership with the leaders of tomorrow, effectively extending its right hand to them in a gesture of co-operation and respect and in recognition of their needs and potential to contribute to our Canadian society.

In this way we are today striking a bargain which will ultimately benefit tomorrow's Canada, for our youth of today will be prepared to compete in the global economy and as well to contribute to our national economy and our social cohesion.

They who represent 100 per cent of our future as a nation shall secure the future for us as today we grant them the necessary tools to enable them to secure their national dream.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, several people have commented today it is a shame that students should be going so far in debt while they are pursuing a university education. However I point out that when they go into debt they are the ones who are getting the education. They will be the ones earning the income and therefore they should be responsible for paying it back.

(1630)

I put to the hon. member who has just spoken that contrarily the part of the bill that would allow for outright grants to go to members of society in essence forces people like me and people working at fast food restaurants or driving cabs to pay through taxes for the university education of people who quite conceivably could have extremely good careers, make a tremendous amount of money, but never have to pay for a big part of their education.

Would the hon. member comment on the fairness of that type of system?

Mr. Paktakhan: Mr. Speaker, I am delighted to comment on the fairness of the provision.

The fairness of this provision can only be understood if we look at our students as not only working for themselves, for their personal aggrandisement or for their selfish interest in the future. If our thesis is that the students of today would only earn for themselves and for nobody else, not for society, of course society would have no obligation to them.

The students of today, I should remind the hon. member, do not only work for themselves. Their success is the success of our nation. Upon them the future of the country depends. To say they will have the education, the income and therefore should pay for themselves alone is to forget that the students of today will be the ones contributing to our national economy in the future.

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They will be the ones contributing to the social cohesion of our country.

To forget those very important principles is to overlook the very essence of education itself. I therefore submit that when the hon. member reflects on these principles he will come quickly to the conclusion that there is no merit to the question he posed.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, my hon. colleague opposite commented on the views of student associations, of the Canadian Federation of Students. However, as a member of the human resources committee, I observed that the views of this federation differed widely from those held by, for example, student associations in Quebec.

The hon. member may not be aware that one of the concerns expressed by students in Quebec is very close to the heart of the official opposition, and that is its concern for upholding the Constitution as it pertains to education, a field which comes under exclusive provincial jurisdiction.

Therefore, I would like to hear my colleague's views on this point and find out, first of all, whether he is aware of the demands made by student associations in Quebec. I would be interested in his comments because there is a growing awareness that there are two separate countries within Canada. There are those who tolerate, and even want, federal assistance in educational matters. However, there is another reality in Quebec, one which believes that for reasons of culture and identity, the Quebec government should be solely responsible for education.

[*English*]

Mr. Pagtakhan: Mr. Speaker, I am aware of some of the concerns of Quebec students. I was listening earlier this morning to the debate of the hon. member. I recall he indicated that one of the many concerns was withdrawal of the federal government from the educational programs.

Withdrawal in what way—to the point a which funds are not given to Quebec students like they are to any other Canadian? Of course the government stands opposed to that because it is committed to helping every student in the country wherever a student may be. Whether students reside in Quebec, in my home province of Manitoba or in my home city of Winnipeg they are entitled to help from the federal government.

(1635)

In terms of the administration of the program, I realize that education is an exclusive provincial jurisdiction. There is provision in the Canada Student Financial Assistance Act for opting out and alternative payments will be given. There is the

flexibility in the bill that I indicated during debate to respect provincial jurisdiction, to respect regional interest, but to ensure at all times that students wherever they are in the country will be treated equally by the federal government.

The Acting Speaker (Mr. Kilger): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brant—Via Rail; the hon. member for Bourassa—Integration of Immigrants; the hon. member for Notre-Dame-de-Grâce—Handguns; the hon. member for Mercier—Unemployment Insurance; the hon. member for Lotbinière—Inter-governmental Affairs.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, those who hoped that by launching wide consultations on the reform of social programs, not only in the papers he published himself but also in the comments he made here, including student assistance programs, the Minister of Human Resources Development would initiate a real reform have been disappointed. How can the minister, before the consultations, before submitting an action plan that would trigger reactions, come up with a project that, instead of the hope repeatedly promised and announced in a passionate tone of voice, only offers to young people the possibility of getting deeper into debt?

Except for a few scholarships and a possible rebate for those who have reached the maximum debt level, the only hope is for getting into debt. This bill only offers the hope of getting into debt while ensuring a real and effective centralization, as I will try to demonstrate.

First of all, let us keep in mind that young people do not start out with the same advantages, whether they are born male or female, rich or poor, to a family that stresses education or one that has too many problems to give it the importance it should have. There is a great injustice right from the beginning of life. That is why some countries choose to work to make education if not completely at least widely available to all young people as long as they have the necessary abilities.

We know that hope in life, the hope to find a job, despite their scarcity—we will come back to that later—, depends to a large extent on the capacity to study and get a degree. In some countries, France for example, education is completely free. Others offer scholarships or loans. In Canada, depending on what each province wants, both scholarships and loans are sometimes available. In Quebec, which has a loans and bursaries program, students have been complaining since the 1980s that bursaries are being reduced while loans have increased.

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(1640)

For a long time, the federal government has subsidized education; this is a fact, and we cannot rewrite history. But in the previous Student Loans Act, at least it respected the provinces' wishes.

To begin with, I would like to emphasize that the federal government subsidizes education in two ways. First, by way of EPF, a program created many years ago, it transfers funds collected from taxpayers to provinces for education. These funds have diminished. I will give you an example taken from the budget. In 1992–93, the funds amounted to \$2.8 billion, but for 1994–95, they will total \$2.119 billion. And this is at a time when the number of students is rising and when the market is growing for graduates from expensive fields of study.

On the one hand, the central government's help is decreasing, but, on the other, student assistance is also decreasing. What the government is doing here is decreasing this aid, which is not direct aid but a loan to be repaid by the students. It is replacing a grant it no longer gives by another way for students to get into debt. That is the bill's real aim.

So, it is more debt and more centralization. Students' indebtedness, as my colleague said before, is always increasing. This bill, according to the department's figures, provides that the funds available for loans will rise from \$1.8 billion to \$5 billion. Students will have access to higher education, but they will have to get into debt to do it. What is the context?

First of all, the cost of education has risen because federal contributions have been dropping. Education costs three times more now than in 1984. In Quebec, a similar increase took place in the last three years. Because of high unemployment, students have a hard time finding a summer job to pay for their education the way they did in the past. To get by, when I was a student, I used to work during the summer like many other students did. What are the students doing now? More and more, they are studying part-time and combining school and work.

Some may think this is excellent because students will know how much their education costs. Let me refer to the experience of all university and college students and teachers in the world. Of course one could understand when students studied and had part-time jobs on the weekend. However, the students' need to work, whether they are in college or in university, has been constantly increasing, to the point where schedules in these institutions are now influenced by the reality of part-time work.

But that is not all. In recent years, I worked as a lecturer at UQUAM and at the Université de Montréal. I noticed how strong the pressure created by this part-time work was on students, teachers and, ultimately, the education system as a whole. This is true not only in Quebec but also elsewhere.

(1645)

So, we will be penalized when our students later become professionals or scientists and have to compete against their peers from other countries who will have had the opportunity to dedicate all their time and energy to studying. A commitment to studying is not only an individual commitment; it is also a collective one. Consequently, to feel good about the fact that, in the end, students make it by working part-time and getting deeper into debt is to bury one's head in the sand.

The greater incidence of part-time work has a disastrous effect on the quality of education and the ability of students, during this privileged time of their life, to passionately dedicate themselves to the pleasures of research. If students do not have this opportunity at this particular time, they certainly will not have it later on. Some who have had to work part-time know how hard it is not to be able to fully dedicate oneself to one's studies.

I should add that getting into debt does not have the same meaning for a student in arts or literature. We all hope that, in the future, many will continue to take law, engineering, medicine, teaching, or simply improve their knowledge, in the hope to find a career.

I am not overly bothered by the fact that a medical student can incur debts of \$30,000. However, I read this morning that Bernard Lamarre, President of the Ordre des ingénieurs du Québec, said that 4,500 to 5,000 engineers in Quebec are currently unemployed. Now even an engineer cannot be sure that he will be able easily, or just plain able, to repay a debt that can be as high as \$12,000 or even \$15,000, on average. The bill provides a possible reduction if it is over \$16,000.

Who will recommend that a student going into teaching—we do not know if he will find work—or many other fields where jobs are scarce should go up to his neck in debt? Let me say that this is an unsolved problem of my generation, which we share with others here. It is a miserable failure because instead of preparing for the year 2000, 2010 and 2020, we find ourselves in an even more difficult situation. Although we may be satisfied with the number of students, in fact, when we look at the whole system, this issue of funding is extremely difficult and it is our generation's failure. It is a failure for which we will pay dearly.

I also want to talk about the centralization which this bill represents. I will only take a few points, in particular, the definition of appropriate authority.

In the old law—I should say in the current law—the appropriate authority is a person, body or other authority designated as such by the lieutenant governor in council of the province for the purposes of this Act. So the authority is designated by the province concerned.

The bill says: "Appropriate Authorities: 3.(1) For the purposes of this Act, the minister—of course, the minister who is a member of the Queen's Privy Council for Canada—may, by order, designate for a province—again, it is the minister who

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has this power—an appropriate authority, which authority may designate as designated educational institutions any institutions of learning in Canada that offer courses at a post-secondary school level, or any class of such institutions”.

(1650)

In the existing legislation, a designated educational institution in or outside Canada was also designated by the Lieutenant-Governor. In this bill, the same authority designated by the minister or another authority also designated by the minister will decide which educational institutions will be designated in or outside Canada. It is obvious that these two provisions clearly transfer control of the student financial assistance program from the provinces to the minister.

In some cases, the provinces do not mind losing that power. Nevertheless, according to our Constitution, education comes under provincial jurisdiction. I think the federal government is going too far by saying in this bill that it is the minister who will designate the appropriate authority for a province, especially in this context of broad consultations about a social reform that is supposed to give hope to Canadians.

It seems to me that the minister should listen to our criticisms regarding centralization and indebtedness, that they should encourage him to wait. There are a few incentives for students in this bill, although I do not have enough time to talk about all of them. For instance, the federal government does dangle the prospect of bursaries in front of them. But this is centralisation, because these bursaries would come directly from the central government. The government could give these incentives without having to overhaul the current legislation and define new relationships between the Minister of Human Resources Development and the provinces.

There are other signs of centralization. Certificates of eligibility refer to the determination of the assistance needed by persons eligible for loans. In the bill, the appropriate authority may issue or cause to be issued for a period of studies a certificate of eligibility to a qualifying student whom that authority considers—there are two conditions specified in the legislation—(a) to have attained a satisfactory scholastic standard; and (b) to be in need of a loan for that period. But this is determined by the appropriate authority designated for the province.

Here, it is specified: “Subject to the regulations”. Do we know what the regulations are? No. “Subject to the regulations, the appropriate authority designated by the same Minister may, on application, issue or cause to be issued to a qualifying student a certificate of eligibility, in the prescribed form, for a period of studies at a designated educational institution—we saw how it was designated, in Canada, by the appropriate authority designated by the Minister, or outside Canada, by the appropriate authority designated by the Minister. So, both characteristics

are the same, but subject to the regulations, and the regulations are determined by the Minister.

Suffice it to say, in conclusion, that this bill stigmatizes the failure of our generation, the generation now in power in this government, to give effectively and for good an opportunity, if not equal at least less unequal, to young people, no matter what their origin is, but subject of course to their ability and their will to study.

(1655)

This is a bill that gives absolutely no indication about what can be expected in this country and, as a spokesperson for the Official Opposition, and in spite of my convictions, which are well known, I say that no matter what hopes one might have for that reform, I think that this bill destroys them. This bill is cause for concern because it was not intended in the first place to help the students since it only allows them to go into debt, and they are not even sure of finding a job when they graduate. As for centralization, it is consistent with a commitment by a federal government which decides alone in Ottawa on what is good for everybody.

[English]

Mr. Jim Abbott (Kootenay East): Mr. Speaker, I was very interested in the member’s speech. I happen to be the father of three children who are now in their 20s and who ended up coming through the education process with a tremendous debt load.

I wonder if the member would agree that perhaps a constructive way to handle that situation would be to take a look at an income contingent repayment plan so that if they are in a very low paying job such as in a social working kind of situation or, as has been suggested, perhaps from an arts perspective versus someone who is on the higher end after a few years as a lawyer or a doctor, there is some real possibility of being able to overcome that by tying the repayment of the loan to the income that the student would have at the time.

Would she see this as a way of getting away from the number of defaults on student loans we are presently saddled with?

[Translation]

Mrs. Lalonde: Mr. Speaker, research has been done by students and those who are concerned by this issue of student grants.

I think there is hope in that regard. But students have warned us and rightly so against the temptation to make the future generations bear alone the weight of education, which is a tool for our community development. I am very sensitive to this argument. It would be too easy in the end to say that they have only to study now and pay later. In fact, now is the time to share. That is why I am very disappointed with this bill. The minister had promised to introduce an innovative bill which would deal with the real problems. It seems to me he failed completely.

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Mr. Antoine Dubé (Lévis): Mr. Speaker, my hon. colleague from Mercier spoke as usual very passionately, but also with considerable knowledge of the subject at hand.

I would like to ask her—since she did not have the opportunity to touch on this point—if indeed the real problem is the shortage of jobs for students when they complete their studies. This bill is part of a strategy which the Minister of Human Resources Development has called the Youth Employment and Learning Strategy. We have looked closely, but have not been able to find any concrete measures, aside from precarious jobs such as those associated with Youth Service Canada, or low-paying jobs. This presents a problem. I would like to hear the hon. member's views on this matter.

If time permits, I would like to hear what she thinks about the transfer of responsibility to banking institutions. What was up until now the responsibility of the government will now be transferred to banking institutions.

(1700)

Mrs. Lalonde: Mr. Speaker, we are not accustomed to leading questions on this side of the House. However, my colleague has given me the opportunity to focus on one of the major problems that young people face. My colleague spoke about how people of my generation—I am 53 years old—were able to find work quite easily upon graduating from university. This was likely also true for some people who are younger than me and certainly for those who are older. Finding a job is the issue uppermost in the minds of young people. There is no possible way it can be argued that this bill is part of an overall employment strategy.

Regarding my hon. colleague's second question, I am concerned about the new role that banks are being called upon to play. I am concerned because we are told that as things now stand, the banks have no incentive to ask students to repay the money they owe and that as a result, the government is left to contend with loan defaulters. I note that the minister has given banks a great deal of latitude to negotiate. Is it not a little absurd that the additional money to be spent will be used to help banks put more pressure on students to repay their loans?

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am very pleased to join in the discussion and debate because for too long in Canada we have been living in the context in which the future seems to be a dead end for our young people and for people who want to pursue post-secondary studies.

Many young people are wondering what awaits them when they get out of school, college or even university. They are wondering whether they will be able to find a job that corresponds to their skills. They are wondering if there is a place for them in the labour market.

We must do much more than wring our hands about the often drastic situation of our young people while remaining indifferent to their plight. We can get into debates about issues around centralization. We could make passionate arguments about indebtedness but it is important to note that the program proposed today is a model of administrative delegation with the federal government providing for the financing of student loans through private sector lenders and provinces undertaking certain responsibilities in respect of assessing student needs and awarding aid under the program.

We must give back to our country and to its citizens the confidence and optimism that are needed to create a strong, dynamic economy which is so necessary in the context of market globalization.

In light of this need, the government recently launched, and the minister again spoke of it today, on the youth employment and learning strategy in order to give our young people in particular and Canadians in general the means and the opportunities of taking on this new economic challenge.

Under the proposed reforms provinces are expected to play a central role in the administration of the programs. In fact the proposals to reform the program have been developed through close consultation with provinces and interest groups over the past two years. Many of the changes reflect criteria in place under provincial student assistance programs. I am referring to measures which emphasize results in learning as well initiatives to ease student indebtedness on completion of their studies.

Far from limiting provincial flexibility, the bill continues to provide for jurisdictions choosing to offer their own student assistance programs to opt out of the federal scheme and receive appropriate compensation. The formula for compensation has been expanded to include the enhancements offered under the federal program. In this way students in opted out jurisdictions will also benefit from the changes being recommended by the government.

What are those changes? The student bill amends the Canada Student Loans Act in order to ensure that it truly meets the objectives for which it was designed 30 years ago to enable our young people to pursue their education in accordances with their talents, their interest and ambitions.

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(1705)

Women pursuing post-secondary education face great challenges. The United Nations has identified unequal access to education as one of the impediments to women's full participation in society. Women still face many of the challenges confronted by women in the fifties and in the sixties. They face segregation by occupation, low wages, insufficient child care and a heavy burden of family responsibilities which can impede access to education.

These facts influence the ability of women to obtain teaching jobs at universities and colleges and to advance through the professorate. At the college level 15,000 full time teachers are men, compared with 10,000 women. At the university level there are 30,000 men who are full time faculty and only 8,000 women. Furthermore, women are concentrated at the lower ranks of full time university faculty. They account for less than 8 per cent of full professors, 20 per cent of associate professors and 33 per cent of assistant professors. Because women at all levels below full professor are less likely than their male counterparts to have earned a doctorate, their career prospects are significantly hindered.

Despite rapid improvements in the participation of women at the undergraduate level, we know they are still greatly under represented in areas such as engineering, applied sciences, mathematics and the physical sciences.

Right now about one-third of doctoral students are women. Female doctoral students receiving Canada student loans tend to have greater assessed needs and higher debt loads than their male counterparts, which makes studying more difficult for them and repaying their loans more onerous.

The proposed amendments are designed to eliminate this barrier which is faced by women who are pursuing post-secondary studies or who have decided to return to college or university. Female doctoral students may be eligible to access up to \$3,000 in any given year for up to three years of study to help them meet the costs associated with studies at the doctoral level.

As I previously mentioned, the amount of loans and allocations has not changed in 10 years. Currently the maximum amount of loans provided to students under the program is \$3,600 a year. The average cost of one year of studies, however, is estimated at \$9,500 for a single student enrolled in university who does not live with his or her parents.

Furthermore, students who have one or more dependents or who are the head of a single parent family and persons with disabilities have additional financial difficulties for which no specific measures are provided under the program. The program in its current form is not always equitable. There is no guarantee that students in comparable circumstances will receive fair, uniform treatment from one province to the next. In addition, the amounts provided are determined by provincial authorities

without taking into account the province or region in which the educational institution attended by the applicant is located.

Under the new program the maximum annual loan limit will increase to \$5,600 per school year for full time students, and \$4,000 for part time students. This will ensure that those persons with the greatest need can count on reasonable financial assistance while they complete their studies. I would point out that these amounts represent an increase of almost 60 per cent.

In addition, special opportunity grants which will be awarded to students with the greatest financial need will help re-establish equality of opportunity for higher education.

Expanding eligibility for the interest relief plan to low income persons with low wage or part time jobs will grant them relief they had previously been denied.

This will enable us to provide support to those students who are truly determined to succeed, while at the same time making good use of taxpayers' money. With the new legislation we will be able to establish new funding terms so that all eligible students will have access to loans, to develop repayment formulas that take incomes into account, and to benefit taxpayers by reducing the costs of the program.

For a system of financial assistance to be fair and equitable for all Canadians from coast to coast it must be consistent while obviously reflecting the particular economic conditions of each region.

The federal government therefore intends to work more closely with the provinces with a view to standardizing the operation of the program and to exploring the potential for greater harmonization of federal and provincial student assistance programs.

(1710)

This bill respects provincial jurisdiction over education. These reforms are about creating opportunities and providing hope to Canadians who might not otherwise pursue post-secondary learning without financial assistance.

The bill is intended to provide the necessary enabling authority so that the government's announced reforms to the program can proceed.

Contrary to what we have heard in the House, the government has been very clear about its intention to overhaul the Canada student loans program. Specifically, our intention was announced to increase the loan limits for full time and part time students. The government will shortly be providing an overview of the regulations to the committee examining the bill in specific ways.

These regulations will be subject to the normal regulatory approval process. They will be prepublished for the purpose of pursuing the widest possible consultation on their content. Prior to finalizing those regulations they will be reviewed in light of those comments for consideration and approval by the governor in council.

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The Government of Canada has long provided funding for post-secondary education. In 1993-94, \$15.6 billion was spent on post-secondary education. The total federal support reached \$8 billion, representing over 50 per cent of total support.

Federal EPF transfers to Quebec for post-secondary education are expected to reach \$1.5 billion in 1994 and 1995, representing an increase of over \$12 million over last year.

It is in this same spirit of federal-provincial co-operation and in order to provide the greatest possible opportunity that I join in this debate and I support the minister responsible.

We have before us an innovative project aimed at giving the people of Canada, both young and old, the chance to reach their objectives in the area of education, training and equal opportunities for doing so.

Therefore we must not hesitate to take bold steps to restore the faith of our fellow citizens in the future. We must let them know that we wish to strengthen our economy and make Canada a strong and competitive country on the international scene. This is a primary objective of the youth employment and learning strategy.

We have here a complete initiative, a concrete initiative that is part of a national strategy whose value I am convinced is recognized by all Canadians. I am also convinced that all of my fellow members of Parliament are becoming increasingly aware of the merits and the necessity of this initiative after today's discussions. I therefore call on every member to demonstrate and give their support to this bill.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, I want to salute the hon. member and since we are both on the Standing Committee on Human Resources Development and she is well informed of the social program reform, I take this opportunity to ask her a question on that subject.

Today, we are studying the student loans program in the context of a particular strategy directed at youth, but fundamentally, that program should be part of social program reform throughout Canada. The Committee on Human Resources Development has been asked to engage in a consultation process following the action plan that had been announced earlier by the Minister of Human Resources Development, who will table his overall plan of action within the next few weeks. The comprehensive reform proposed in this action plan was supposed to cover, in a coherent manner, all aspects of social and income security programs, including student financial assistance.

What have we observed? As with unemployment insurance, we can see that, in this case, the minister has decided not to wait for the outcome of the consultation process on social reform.

Since she is a member of that committee, I would like to ask my colleague to explain why it is so urgent to proceed with these changes before the outcome of the reflection process which we have undertaken together is known.

(1715)

[*English*]

Ms. Augustine: I thank my colleague for his question and also for his concern as to the progress of the work we are presently embarking upon.

I am aware that my colleague knows that we have heard from hundreds of Canadians who have come before our standing committee. My colleague is aware of the situation that faces the young people in this country and that we need to provide them with opportunities for jobs. It is important that our young people at the end of the school year can see where their future is heading in the upcoming year. In the process that is before us there is a tie-in of course with the work and the reform that is going to take place. It is also important to note that we are here to govern, to take the leadership and to ensure that we meet the needs of Canadians especially our young people at this very crucial time of the year and also at this very crucial point in the economic situation that faces our young people.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, a number of members on this side of the House would dearly love to support this bill although we do not feel that it goes far enough in some areas. We are quite concerned about the affirmative action portion of it in which women doctoral students would be given grants.

We are concerned that we are handing out privileges based on gender in this country and that it would be done with the authorization of the government.

We are wondering why extending student loans to women as they are extended to everybody is not enough for those women in the doctoral studies programs.

Ms. Augustine: Mr. Speaker, we are talking about equity in this country. I think that the member across the way should recognize that there are some inequities and there should be some opportunities to ensure that in every institution and every place in our society that women are there in equal numbers and that their skills are recognized.

There are 15,000 male full time teachers in our system compared with 10,000 women. We know that the opportunities are not there for women. This is an opportunity provided for women to find themselves on the same level as men and to

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ensure that in all of our teaching facilities there are the same qualifications and an equal balance of sexes in our professions.

It is important that a role model be there. It is important that we give strong messages to our young people that regardless of their sex, opportunities are there for them. This is an opportunity that is being provided at this time for women who would like to continue their studies at the doctoral level to do so.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, it is a pleasure to have the opportunity to follow my colleague and to speak on this legislation in support of this initiative by the government.

I am going to make my remarks in three capacities this afternoon. The first capacity is as one who has benefited from the Canada student loans program in the past.

The second is in the capacity of someone who represented in my first term as an opposition member and continues to represent here as a government member the countless cases of students and families that have run up against the deficiencies in the current program.

The third is in my capacity as the chair of the human resources development committee which would be expected to study this legislation more thoroughly.

(1720)

In my first capacity, if it had not been for the student loans program, I would probably not have been able to pursue university studies through the BA, MA and PhD levels because my family did not have the resources. My family was not of the means to be able to support my entry into university.

As the oldest of eight children in Margaree Forks, Nova Scotia, my father's income was barely above the poverty line. He did his best to provide for his family. If there had been no opportunity for me to receive student loans and student bursaries through the federal government in the early 1970s, chances are I would have done like many others and ended my education at the high school level. Happily that was not the case. I had the opportunity to achieve the benefits of a university education.

I do not think there is anybody in this House who would question the importance now more than ever of young people having access to higher education as a means for being fully productive members in our society and in the Canadian economy.

In my career as a member of Parliament I have represented many young people who have found the existing limits, the existing regulations and the existing red tape associated with the student loans program, the national requirements and in the case of Nova Scotia some of the provincial restrictions, make it absolutely imperative and urgent that something be done to loosen up the criterion, to expand the accessibility of the

program and to make the kinds of changes the government is proposing in this legislation.

One of the issues that provided the most work for myself and my constituency staff was of students in Cape Breton Highlands—Canso who were unable to attend university or who had to drop out because the amount of assistance they were able to receive was insufficient to allow them to go to university. There were those whose parents were unable to meet the requirements that the regulations called for in order to supplement what they could get through the student loans program. Because of various forms of red tape they did not receive an answer until it was too late for them to continue. They had to drop out of the program and very often had to go on unemployment or perhaps even welfare.

Time and time again I had these situations in the last four years. As a result, we realized that something had to be done to open the loan limits. It fell on deaf ears when we brought it before the previous government. I am happy that the minister and the government are taking the initiative to review and to enhance the support that the Canadian government provides in conjunction with the various provinces to assist young people in pursuing higher education.

The bill before us delivers on a commitment made by the government in its youth and learning strategy to improve student assistance to better serve the needs of present and future generations of students. The proposed legislation sets the stage for the modernization of the Canada student loans program which has not been fundamentally changed for 30 years. Student loans were frozen by the last government at 1984 levels. The government is increasing the loan limits for students by 57 per cent to reflect the growth in education costs borne by students over the intervening years.

(1725)

Just to give an example of those increases, in Nova Scotia tuition fees are among the highest in Canada. They rose dramatically over the period when the Conservative government was in power in Canada from an average in 1985–86 of \$1,478 per student to \$2,415 in 1992–93.

As a result of those increases in tuition fees and the freezing of student loan limits, a growing number of students were unable to pursue higher education. Add to that the fact that jobs for students were not able to keep up with the demand created a crisis situation and some say a lost generation among our young people. I certainly hope that is not the case.

It is urgent that the government act. I believe that in introducing legislation such as this at this time and in preparation for the next school year this government is acting as soon as it is responsibly possible to do so to begin to address that urgent need.

Over the next five years the value of aid for students will be \$6 billion, an increase of \$2.5 billion compared with the previous five years. This is an addition over the next five years over what would have been made available to students for the financing of secondary education. There is opting out with compensation as there has been in the past to allow provinces such as Quebec to deal with their own programs. In addition the formula for compensation to Quebec and to the Northwest Territories will be expanded to include the new program elements which are made available as a result of this legislation.

Assistance would be enhanced as a result of this legislation and targeted to those in need by increasing the low limits for full and part time students, providing special opportunity grants to meet with the exceptional education costs of students with disabilities, high need part time students and women in doctoral studies and establishing an objective regionally sensitive approach to assessing student need.

The legislation also facilitates the transition from school to work which is another important requirement of our work and labour market environment at the present time. It does this by creating a national program of deferred grants to reduce the debt load of high need students on graduation and by expanding interest relief to low income borrowers.

These are some of the features that are contained in Bill C-28. I am encouraged that the government has moved so quickly in order to introduce this legislation.

I know that I will be asked as the chairman of the human resources committee, perhaps by my colleague from Lévis or my colleague from Medicine Hat, why this legislation is being introduced in advance of the government's program for social security reform and whether this in a sense undermines the social security reform process.

To that anticipated question I would say that nothing in this bill precludes the broader assessment of the needs of post-secondary students and the dealing with these needs as part of an overall social security reform process. In the same way the changes that have been introduced in the recent budget to the unemployment insurance program of course do not mean that the unemployment insurance program is not part and parcel of the social security review process which is part of the exercise that we will be involved with as a government and as a committee. An important point to bear in mind is the reason the legislation in a sense precedes the very important exercise of social security reform which the government is carrying out. Hopefully we will deal with the legislation in an expeditious fashion. If passed it would make it possible for students in the new academic year to take advantage of the new benefits. The social security reform process will take longer.

Supply

For that reason alone I would say the government is to be commended for anticipating a trend, which I am sure all members of the House support, toward greater support for the achievement of higher education by our young people.

* * *

SUPPLY

ALLOTTED DAY—YOUNG OFFENDERS ACT

The House resumed from May 12 consideration of the motion.

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., pursuant to Standing Order 45(5)(a) the House will now proceed to the taking of the deferred division on the motion.

Call in the members.

(The House divided on the motion, which was negated on the following division:)

(Division No. 40)

YEAS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Bridgman
Brown (Calgary Southeast)	Chatters
Cummins	Duncan
Epp	Gilmour
Grey (Beaver River)	Hanger
Hanrahan	Harper (Simcoe Centre)
Hayes	Hermanson
Hoepfner	Jennings
Kerpan	Manning
Mayfield	McClelland (Edmonton Southwest)
Meredith	Mills (Red Deer)
Penson	Ringma
Schmidt	Scott (Skeena)
Silye	Solberg
Strahl	Thompson
White (North Vancouver)	Williams—36

NAYS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Asselin
Augustine	Axworthy (Winnipeg South Centre)
Bachand	Baker
Barnes	Bellehumeur
Bellemare	Berger
Bergeron	Bernier (Beauce)
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bethel	Bevilacqua
Bodnar	Bonin
Bouchard	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Bélisle
Caccia	Calder
Campbell	Canuel
Caron	Catterall
Chamberlain	Chan
Chrétien (Frontenac)	Clancy
Cohen	Collins
Copps	Crête
Culbert	Dalphond—Guiral

Private Members' Business

Daviault	Debien
de Savoye	Dhaliwal
Dingwall	Dromisky
Dubé	Duceppe
Duhamel	Dumas
Dupuy	Easter
Eggleton	English
Fewchuk	Fillion
Finestone	Finlay
Flis	Fontana
Gaffney	Gagliano
Gagnon (Québec)	Galloway
Gauthier (Ottawa—Vanier)	Gauthier (Roberval)
Gerrard	Godfrey
Godin	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Guay	Harb
Harper (Churchill)	Ianno
Iftody	Irwin
Jackson	Keyes
Kirkby	Knutson
Kraft Sloan	Lalonde
Landry	Langlois
Lastewka	Laurin
Lavigne (Beauharnois—Salaberry)	Lavigne (Verdun—Saint-Paul)
Lebel	LeBlanc (Cape Breton Highlands—Canso)
Leblanc (Longueuil)	Lee
Lefebvre	Leroux (Richmond—Wolfe)
Loubier	MacDonald
MacLellan (Cape Breton—The Sydneys)	Malhi
Maloney	Manley
Marchand	Marchi
Marleau	Massé
McCormick	McGuire
McLellan (Edmonton Northwest)	McTeague
McWhinney	Mercier
Milliken	Minna
Mitchell	Murphy
Murray	Ménard
Nunez	O'Brien
O'Reilly	Pagtakhan
Parrish	Paré
Patry	Peric
Peters	Peterson
Picard (Drummond)	Pickard (Essex—Kent)
Pillitteri	Péloquin
Reed	Regan
Rideout	Ringuette—Maltais
Robichaud	Rocheleau
Sauvageau	Scott (Fredericton—York—Sunbury)
Sheridan	Speller
St-Laurent	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Telegdi	Thalheimer
Tobin	Torsney
Tremblay (Rimouski—Témiscouata)	Ur
Valeri	Vanclief
Verran	Walker
Wappel	Wells
Whelan—169	

Wayne
Young

(1800)

Wood
de Jong

The Acting Speaker (Mr. Kilger): I declare the motion negatived.

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

HIGH-SPEED TRAIN

The House resumed, from April 13, 1994, consideration of the motion:

That, in the opinion of this House, the government should immediately take the required measures to authorize the construction of a high-speed train (HST) linking the cities of Windsor and Quebec City, as well as the necessary infrastructure.

(1805)

Mr. Paul Mercier (Blainville—Deux-Montagnes): Mr. Speaker, I welcome the opportunity afforded by the motion standing in the name of the hon. member for Joliette to repeat what I said in this House on March 22. To emerge from its economic doldrums, our country needs a large-scale collective project, one that will generate our enthusiasm and mobilize us.

Such a project exists. I am referring to the HST, the high-speed train between Quebec City and Windsor, which could also be run on a loop connecting Mirabel and Dorval. Several studies have already concluded that this project would be economically viable.

A high-speed train running through a densely populated corridor with high ridership potential answers a need. The train, as other countries have already realized, is not a relic of the past. In its modern version, when certain distances must be covered and the ridership is there, it is the way of the future.

According to a study conducted by Bombardier, HST per capita transportation costs will be competitive with those of other competing modes. Furthermore, the benefits of control and speed are obvious.

I may add that the HST would be a welcome solution to the problem of transportation to and from Mirabel and Dorval. It would be necessary to add to the main line a loop where the train would run only at certain times. It would take 18 minutes to get from airport to airport, and in the airports would also be linked directly by rail to Quebec and Ontario.

Another point is that trains are more environmentally friendly than any other means of transportation. Running at a speed of 300 kilometres per hour, the HST uses half as much energy per passenger as a car and one-quarter as much as a plane. Pollution has a price, a financial cost which we tend to forget in our calculations and which should be added when comparing various transportation modes with highway and air transportation.

PAIRED—MEMBERS

Members

Bhaduria	Charest
Collenette	DeVillers
Deshais	Discepola
Guimond	Jacob
Leroux (Shefford)	MacLaren (Etobicoke North)
Mills (Broadview—Greenwood)	Nault
Plamondon	Pomerleau
Rompkey	Shepherd
Terrana	Venne

Private Members' Business

Electrification, which is the rule in Europe, would have the double advantage of being environmentally acceptable, since there would be no emissions into the atmosphere, and of consuming energy that is abundant in Ontario as well as Quebec, a province that is trying to export surplus energy.

And now for the burning issue of unemployment. Construction on the HST would create 80,000 jobs annually. In addition, 40,000 jobs would be created in sectors related to the project, plus 1,250 permanent jobs in maintenance and management of the network. The HST would ideally take up the slack and hire workers who might be laid off following the merger between CN and CP.

Yes, but look at the cost! According to the proposed investment strategy, and if we take the average strategy of 300 kilometres per hour, it would cost \$7.1 billion in 1990 dollars. According to this hypothesis, during the construction period tax revenues would be generated totalling \$1.8 billion. For the government, the HST is an investment rather than an expenditure.

However, these advantages are better understood abroad than in this country. Several of the most developed countries in the world now have one or more HSTs in service. Canada is lagging behind.

Bombardier, a domestic company, has more customers abroad for its railway products than it does here. In this area as in so many others, the government's lack of vision is overwhelming.

Does our low population density preclude this kind of project? That would be a poor argument. Some of the countries that already have HSTs or are planning to put one into service are not more densely populated than the Quebec City–Windsor corridor.

(1810)

In this high-tech sector, we could be leaders instead of followers and be the first ones to develop an exportable expertise that could help improve our balance of payments. Yet, while our competition is taking action, we are examining the umpteenth report on the subject.

If our governments act now, we still have a chance to find our opportunity window on the high speed train market. The time lost so far can be caught up, we are told, but we must act now.

The late lamented Jean de La Fontaine wrote a delightful little story our minister of transport may find useful and inspiring to read every day. You guessed right, I am referring to the tale of "The Tortoise and the Hare".

In closing, Mr. Speaker, tomorrow, in their history books, will our children be taught that in terms of collective achievements commanding their admiration, the last decade of the 20th century was marked in their country by the so-called infrastructure project, that is to say a plan to fill in wholes with asphalt from the West coast to the East coast?

Is our ambition limited to leaving our children—apart from a huge debt of course—roads with fewer wholes in them and sewers with fewer leaks? Certainly not. Such a vision is not worthy of Canadians and Quebecers.

Our children—I hope and it depends on this government—will be able to say proudly that besides carrying out this infrastructure work, we, their parents, made sure, as the 21st century drew nearer, that we remained leaders among innovative nations.

So, with the HST, we will prove to them that our creative potential and capacity of having daring ideas is intact; in a word, we are not in a decline and want to provide them, to face the challenges of the 3rd millennium, a new building tool that reflects our ambitions for their future as well as our own past achievements.

[English]

Mr. Ted White (North Vancouver): Mr. Speaker, Motion No. 112 asks the federal government to authorize the construction of a high speed rail link between Windsor and Quebec City. The Bloc motion actually reads:

That, in the opinion of this House, the government should immediately take the required measures to authorize the construction of a high speed train linking the cities of Windsor and Quebec City, as well as the necessary infrastructure.

The motion could be interpreted in a couple of different ways. If the motion is asking only for authorization to proceed using 100 per cent private funding then there would be no real reason for us to stand in the way of construction of such a project.

Alarm bells are ringing for me and I have a reputation to defend. I managed to get to third place on the list of scrooges on Parliament Hill, proof that I am exceptionally careful with taxpayers' dollars. I will have to apologize to my constituents for not making it to number one position, but I will try to do better next year.

I have a reputation to defend, as I said, and alarm bells are going off all over the place in connection with the motion. I see a sink hole, a black hole for taxpayers' dollars into which we could throw billions of dollars without ever creating a self-sustaining transportation system between Windsor and Quebec City.

If the second interpretation of the motion is that we are being asked to authorize taxpayers' money to be spent on this project then I say absolutely not. I quote from a colleague who has

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earlier spoken to the motion: "Considering that the political elites of Ottawa have not had the competence to turn an annual budgetary surplus since the early 1970s, I would certainly be surprised if any viable industry would want to enter into a working partnership with the federal government".

What then could possibly be the justification for government participation in a high speed rail proposal? In short the crux of the issue is very simple: if the rail line is a financially viable project then the federal government should give its full legislative backing to such a plan, providing there is no fiscal component involved. If it is not proven to be fiscally viable then why would the government sink any of its non-existent money into such a plan anyway? It certainly would be nice for us to be the North American pioneers of high speed rail transportation but if the logic is not there then neither should the taxpayers' money be there.

(1815)

The possibility of the public and private sector splitting the cost on this project has been discussed. This means the government would still be asked to pay nearly \$3 billion toward something that sounds great but may not work.

Where is the government going to get such a large amount of money? Not only is the availability of \$3 billion in question but also I wonder if that amount will rise as more costs are discovered, either costs that were not figured into the original project or costs that were underestimated, as is often the case with government projects. While costs may rise astronomically there is no guarantee a profit would be made at the end of the project anyway.

There is also the question of whether private industry would indeed want to enter a partnership with the federal government as I mentioned earlier. If there are huge profits to be earned then the private sector should tackle this project on its own.

I am not condemning or encouraging the idea of a high speed rail link per se. Rather I am saying the government should not be involved in any way other than legislating to make the project possible, if legislation is indeed needed.

I cannot justify putting \$3 billion worth of taxpayers' money into such an uncertain project. I believe the building of such a railway should be left up to the private sector to finance if it feels the need for it.

If there is no interest in this project from private industry then it must feel there is not enough financial stability in the investment to undertake it. If it feels the risk is too great for itself, it is not the place of the government to override the people's decision and spend their money on a project they would not support themselves.

I know this is a revolutionary thought for many members on the government side, the thought that they would not do something that the people wanted them to do.

In my riding of North Vancouver there is a private company which runs tourist rail traffic through the Rocky Mountains. This company, Rocky Mountain Rail Tours, is in its fifth season and receives absolutely no taxpayer subsidies. It creates a significant number of private sector jobs and has generated more than \$5 million in taxes for all levels of government. While there were losses for the first five years of operation the company stuck it out and made a six-figure profit in 1993.

That is evidence that such a system can be built and run without government interference. The only threat to this company at present is the possibility of a government run railway receiving extraordinary amounts in subsidies as its competition.

Though it took a few years to get off the ground, Rocky Mountain Rail Tours is now doing very well and the company is forecasting more and more passenger traffic all the time. As I mentioned, the only threat that exists right now is the possibility that cabinet may authorize VIA Rail to begin running again on those same tracks.

Even if the government had wads of money spilling out of its treasury, which it certainly does not, there would be no logical sense in undertaking a high speed rail link between Windsor and Quebec City at this time. That is because one-third of the track would be located in Quebec and as long as the separatist threat continues to loom over the economic and political well-being of the country there is no point in proceeding with such a project.

I want to retain at least number three position on the *Hill Times* list of Scrooges on Parliament Hill, so I cannot risk supporting this motion that is on the table from the Bloc.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, support for the high speed train connection in the Quebec-Windsor corridor has been received from people who held very different views, people like Mr. Marc Lefrançois, president of VIA Rail who said: "In terms of plans that stir people into action, it is difficult to find a better one". It also promotes the expertise of a company like Bombardier which is a domestic company and holds rights to the technology required to carry out this project.

(1820)

The HST project also received support from the Young Liberal Federation in Quebec who, while not being known as sovereigntists nonetheless saw in this project an opportunity to stimulate job creation for young people, whether engineers and

technicians or linemen. In other words, this is a job-creation project.

At Bombardier, they are not a bunch of incompetent people. They are the ones who manufactured in La Pocatière, in my riding, the railway cars now in service in the tunnel across the Channel between England and France, two sovereign nations that nonetheless saw fit to be linked by such a means of communication. The British did not refuse to contribute because the French were going to benefit from the tunnel. They asked themselves: "Will we benefit from this?" And came to the conclusion that they would.

I think that, whatever the constitutional context, Quebec and Canada stand to benefit from developing this link, particularly since it would be the first of the sort in North America and the technology could be applied in 19 other sites over the continent. You go nowhere with a rule like: no government money shall be invested in this project; we must wait for the private sector to take on the project. If that rule had been applied strictly, we would still ride on gravel roads and we would not have the transportation network we enjoy today.

I think we must have a modern-day attitude and the HST is definitely modern. In fact, it is the most environmentally friendly mode of transportation of all. It is a lot less polluting than cars or planes.

The question we have to ask ourselves is this: is it going to be cost-effective to build a high-speed train in the Quebec City-Windsor corridor? In fact, as Mr. Rémy Bujolt, chairman of the GPC Consortium and consultant for VIA Rail on this matter, was saying: "To succeed, we will have to attract as many passengers as possible; if not this project will become a money pit. For this project to be cost-effective, the high-speed train must capture 40 per cent of the market between Montreal and Toronto compared to 13 per cent today".

But the answer to this question is in the efficiency of the high-speed train. This train would link Quebec City and Montreal in 85 minutes; Montreal and Ottawa in 45 minutes and Montreal and Toronto in 140 minutes, at 50 per cent of the cost of a plane ticket. It would also serve Quebec City, Trois-Rivières, Montreal, Ottawa, Kingston, Belleville, Toronto, London and Windsor.

Do you not think that with such a fare, the HST will easily replace many air carriers? That probably explains in part why the project is stalling so inexplicably. Is the airline lobby holding up the project? With all the support it received, there is no reason why anyone should oppose it.

I discovered this afternoon there might be a new reason: it might be the fear of displeasing the Reform Party because they see no advantage in that project since it encourages development on a north to south axis in North America; that in itself is not a bad thing and there would certainly be similar projects to be developed in the west.

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We believe the HST project is highly mobilizing and job creating since it would generate 80,000 direct jobs and 120,000 indirect ones. Compared to other projects, it would be much cheaper because of the taxes that governments would collect on the income of a whole generation that would be put to work. Right now in Quebec, there are 4,000 engineers without work. Don't you think that such a project would be welcomed by those people who are looking for jobs, who studied at university and who have nothing because no interesting development project is proposed to them.

Therefore, the high-speed train project appears to be an interesting way of developing the economy of the Quebec-Windsor corridor, but it is also very interesting for the Bombardier company. For instance, in La Pocatière, in my riding, Bombardier has a plant that built the cars used to cross the English Channel and those of the New York subway. The economic cycle in that plant is often the reverse of the cycle of the whole economy. While the economy is taking off again, employment declines in the plant. Conversely, in an economic downturn, more jobs are created at the plant.

(1825)

Such a project could perhaps balance production and increase employability to ensure that the region does not experience ups and downs like going from 1,000 to 250 or 300 jobs. Such a project could stabilize job creation in the region and ensure that expertise stays where it is.

Now, every time the economic cycle hurts our businesses, technicians and engineers go elsewhere. They must move on to other jobs, so that our businesses lose this expertise and have to start from scratch every time.

A project such as the high-speed train would create jobs to put young people to work and help build a corridor between Quebec City and Windsor which, in the end, would benefit all elements of society between Quebec and Ontario and towards the United States. And, if the decision is made quickly enough in case Quebec City is chosen to host the 2002 Winter Olympics, it would certainly be a very interesting means of transportation for which we would have planned in time, for once.

I think we have all the elements we need to succeed. I was a little disappointed when the Prime Minister, replying in jest to a question from the Leader of the Opposition, asked whether the high-speed train should be stopped at the border between Quebec and Ontario. I think that it is much more important than that and that it deserves serious answers dealing with the substantive issue.

Studies have already been carried out. What is needed now is the political courage to go ahead with the project. The economic conditions are such that we are sure the high-speed train is not another Hibernia project. If we could take the money that Quebec has thrown away with Hibernia and stop the Hibernia project and put that money into the high-speed train, we could

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contribute Quebec's share directly to this project and maximize job creation in doing the work.

Creating a new rail line creates jobs that will make good use of skilled workers and line workers, namely people with high-school education who can do all kinds of support work to install the line; at the same time, it takes technological expertise that would surely make Quebec and Canada leaders in this field.

We can bet that in 15 or 20 years, there will be maybe 10 or 15 high-speed rail lines in North America. Then we will know if we have missed the train or if we seized our opportunity to be leaders in such projects and to make Canada and Quebec experts in developing this kind of transportation link which is what we need in a continent like North America.

[English]

Mr. Jim Abbott (Kootenay East): Mr. Speaker, this debate has been quite interesting. I suppose many of us come to this Chamber with somewhat different points of view.

I listened to the first speaker from the Bloc. He was talking about combating uncertainty with this project. With a wide open cheque book and having absolutely no idea how many cheques we are going to have to write, to say that this would be a project which would combat uncertainty is probably 180 degrees from the reality. I do not see this project as being a solution to combating uncertainty whatsoever.

The member spoke of it in terms of economic viability. As my colleague from North Vancouver has said, if it truly is economically viable why is private industry not stepping up to bat? Why are they not the people who are asking for the okay from the people of Canada?

(1830)

In doing a little research for this I came across a presentation made in writing from the TGV Canada consortium which is led by Bombardier and GEC Alsthom. They are the people who are attempting to pull this together, at least the concept, for Canadians to buy into. It sounds absolutely terrific.

On page 17 of their report they say:

The TGV is the job creation project for the 1990s. For the construction phase alone, TGV Canada will provide a major boost to job creation in all parts of Canada.

They go on about the fact that we are going to have engineering, construction equipment, construction, cement and concrete products, metal products, steel rails, structural steel, transportation equipment, rolling stock, electrical and electronic indus-

tries, signalling and communications. It goes on and on. It just sounds wonderful.

Who is going to pay for it? Who is going to pay for all of these wonderful things in this project?

One of the other members in his speech mentioned the channel tunnel. To the best of my knowledge, according to the information I have received, the tunnel underneath the English Channel will never be paid for. It will never pay for itself because it went double its budget.

I suggest with the greatest of respect to our friends in the civil service that because there is not a profit motive involved in the kind of work they do, without that discipline that is exactly what would happen on this project.

In additional research, I took a look at what the member for Québec-Est said in *Hansard* on December 11, 1991, March 12, 1992, March 19, 1992, and what the member for Drummond said on March 20, 1992. It goes on and on. This project has been a favourite of people from that area and I can understand why.

If we had any experience where private enterprise had come in and done something like this on a massive scale without government support, without getting their hands in the pockets of ordinary Canadians, certainly the majority of people in this Chamber would be in favour of it.

I see a statement under Standing Order 31 on March 20, 1992 by the former member for Drummond where it states in part:

In addition to the many industrial benefits, the socioeconomic advantages, and the potential for exports, setting up a high-speed railway line could very well make Canada a centre of excellence for high-speed railway transportation.

He goes on:

Mr. Speaker, building a high-speed line at an estimated cost of \$5 billion to \$8 billion—

That seems to me not necessarily knowing what a million is. With a billion being a thousand of those and the spread being between \$5 billion to \$8 billion, well it is only taxpayers' money.

—will represent the biggest private investment this country has ever known. This genuine revolution in transportation could generate the construction of 23 corridors in North America, with economic spin-offs and investments totalling \$200 billion.

That scares me a lot. It really scares me when we have people like myself, not an engineer, not a financier—I would suspect that the former member was probably like myself, not necessarily even understanding what \$1 billion is—throwing out figures, saying it will cost \$5 billion or it will cost \$8 billion and it will spin off \$200 billion. These are not crackers we are throwing out. These are billions and billions of Canadian taxpayers' dollars.

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We have so many unknowns with it as well. We have not tried a smaller high speed line as a test. We do not know it will operate in our climate, in our specific situation. I have travelled by railway in Switzerland with its concrete ties and the whole business and while I know that much of its climate is like ours, we have not done a small enough test in Canada to even know if we have the technology and the technological ability to be able to do this at this point.

(1835)

With the first speaker this afternoon talking about leaving the people of Canada something, I suggest with the greatest respect that what we would be leaving them would be a sinkhole of public debt. That is what we would be leaving them with in this project. The timing is wrong.

I would further suggest, again with the greatest respect, that if we really want to combat uncertainty, we have to get down to the business of working out a united Canada. We need to get away from this business of blowing this country up and separating it and pulling it apart. If we want real certainty in Canada, we have to focus on solving problems together. That is what is going to make Canada great, not some mythical fantasy land high speed rail line between Windsor and Quebec.

[Translation]

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, I am very pleased to participate in this debate initiated by the hon. member for Joliette, whom I want to congratulate for raising what is, and will be, a major issue for Quebec. I am very enthusiastic about this project, and this for two reasons. First, because of its technical nature and, second, because of the regional development which might result from it.

As regards the technical aspect, I want to go back briefly to the election campaign, when members opposite put forward the idea of cancelling the helicopter building project. At that time, the Liberals received the support of the Bloc Québécois on the condition that the cancellation of this contract be compensated, in terms of the financial and human resources involved, by the implementation of another major project. At the time, the current opposition leader had already suggested that this major project be the construction of a high-speed train line which, given its magnitude, could replace the helicopter project, in terms of the budgets involved and the skilled manpower required.

Unfortunately, the government only remembered the first part of the Bloc's position and simply cancelled the helicopter project without providing any alternative. This is a tragic decision, considering that this whole issue is related to the industrial conversion or, rather, the lack of industrial conversion which, in the last five years, has resulted in the loss of 11,000 high-tech jobs in Quebec alone.

In that context, the high-speed train project would, given its technical nature, give a real boost to the economy of Quebec and Canada.

In terms of regional development, the magnitude of the project makes it very appealing for all the regions along the Quebec-Windsor corridor. Indeed, because of its magnitude, the project, which would involve costs of \$8.5 billion, would also create 127,000 jobs for ten years. Considering all the claims made by the members opposite and their slogan about jobs, jobs and jobs, and considering that they have so far only proposed infrastructure projects, they should seize this opportunity, especially since they already know that the opposition will support the creation of real jobs which will have a real impact, unlike a lot of the jobs related to the infrastructure program, which merely maintain employment levels or are only temporary in nature.

Especially since 70 per cent of the project would be privately financed, with only 30 per cent being funded by three governments for a total of roughly \$2.5 billion. According to all projections, 50 per cent of this amount would be recovered as soon as the construction was completed, with \$1.8 billion in spin-offs and fiscal revenues generated during the actual construction.

So, we are talking about very important regional spin-offs, economically as well as socially. It is estimated that the French city of Lille has enjoyed \$1 billion in regional spin-offs from hotels, office towers, convention centres, restaurants, and so forth.

One must also realize that such a project targets a potential North American market which could be worth \$200 billion over the next twenty years.

(1840)

We must, therefore, act quickly because the Americans are poised to jump into the fray. In the United States, 18 to 20 high speed train projects are now being considered and should become a reality. This shows how important it is for Canada and Quebec to position themselves to carry out this project without delay, relying on the help of our small and medium-sized businesses, each of which will develop a certain expertise. This expertise can, in turn, be subsequently exported, if we act quickly.

As the member for Trois-Rivières, I have a special interest in this project, not only because I hope it will get the go ahead, but also because I hope that it will extend to the Saint-Lawrence North Shore and that a station will be built in my riding, the city of Trois-Rivières, which also happens to be the regional capital of the Mauricie area.

The Mauricie region has a population of 300,000 and extends from La Tuque in the north to Bécancour and Nicolet in the south. It is comprised of a number of relatively well-known municipalities such as La Tuque, Saint-Tite, Shawinigan, Grand-Mère, Shawinigan-South, Cap-de-la-Madeleine, Trois-Rivières-West and Louiseville in the west and Sainte-Anne-de-la-Pérade in the east. Right in the middle is the city of Trois-Rivières, the regional capital, where you will find a

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rather flourishing university and many cegeps and private schools, as well as important companies, multinational and national corporations, like Kruger, Tripap which was just launched by the Fonds de solidarité, Reynolds in Cap-de-la-Madeleine, Alcan in Shawinigan, Belgo in Shawinigan, the Cartonneries Saint-Laurent, the former PFCP in La Tuque, the Aluminerie of Bécancour in Bécancour, Norsk Hydro, SKW, CIL and Didier, the last few are all companies based in the Bécancour industrial park, which need an efficient and adequate transportation system to grow.

In fact, one could claim that some measures have already been taken and that, consequently, we need to go ahead with the high-speed train project. For example, the train no longer stops in Trois-Rivières. The former government, in its wisdom, decided to eliminate the Montreal-Quebec City run on the North Shore. Despite this decision, however, \$2 million was spent on the intermodal terminal in Trois-Rivières. The bridge which had collapsed at Sainte-Anne-de-la-Pérade was rebuilt at a cost of \$7 million and the Gare du Palais in Quebec City was refurbished at a cost of \$60 million. All of this work would facilitate the eventual development of a high speed train.

I want to take this opportunity to request the co-operation of all stakeholders in my region. I want them to know that they can count on my support and, I am confident, the support of all my colleagues from the Mauricie region. I hope that the mayors and all the associations and lobby groups seize this opportunity and realize the importance of this project and its potential impact on Trois-Rivières. I hope that all of our region joins in so that if ever the HST becomes a reality, it stops in Trois-Rivières.

The HST must become a reality. When the opposition discusses the project, it deals in facts. Already, the mayors of all of the principal cities involved have held a meeting. We have here before us the former mayor of Toronto, now the President of the Treasury Board, who co-signed an important brief which was submitted to the government. We have the former mayor of Quebec City, a close friend of the Prime Minister and his chief of staff, who also co-signed the brief along with the mayors of the four other cities involved.

The HST project must come to fruition. All stakeholders directly concerned are unanimous on this point. Moreover, in the opinion of the chairman of the board of directors of VIA Rail who has been studying this matter for the past ten years, this is not an improvised project. In my view, the federal government would not have to make any new outlays of money and would only need to maintain the subsidy currently paid every year to VIA Rail for the upkeep of the Quebec City-Windsor corridor. It would not have to come up with any new money and would only have to continue providing the subsidy for 25 years. Therefore,

no additional financial effort would be required on the part of the federal government.

(1845)

Another reality mentioned by the chairman of VIA Rail is the fact that the rolling stock used on this section will have to be renewed over the next ten years. This will carry a tremendous cost and, rather than changing for equipment already obsolete, why not embark on a modern project which would fulfil the new needs of our societies.

There are other advantages to such a program that I should not forget to mention. There is naturally the improvement of passenger rail service as such, then there are reductions in air pollution, in road traffic, in airport congestion, and there is finally, as I already said, the promotion of regional development all along the corridor, whether it is in manufacturing or trade.

To conclude, I only wish that like France, Germany, Italy, Spain, Japan and shortly Korea and Great Britain, we had a HST between Quebec City and Windsor which would use the North shore and stop in Trois-Rivières. This project would be a joint venture between the governments of Canada, Ontario and Quebec, notwithstanding the comment by my colleague from the Reform Party who said that, given the risk that Quebec might become sovereign, we should perhaps delay or rethink such a project.

I do not think that such words are worthy of a chamber like this one, given the attitude of the Official Opposition with regard to the bridge to Prince Edward Island, which the Bloc approved right away; or given the money that Quebec contributes to a project like Hibernia, as mentioned by my colleague from Témiscouata. I also doubt the appropriateness of remarks like the one made by the Prime Minister when he said there would be a border between Quebec and Ontario. We told him in the House that there is no border when we go from Montreal to New York with Amtrak, so why should there be one between Quebec City and Windsor. We should not fall for that kind of argument. This project is so important, so promising, that only public interest should be taken into consideration.

[English]

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Adjournment Debate

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

And the bells having rung:

[Translation]

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45(5)(a) I have been requested by the Chief Government Whip to defer the division. Accordingly, pursuant to Standing Order 45(5)(a) the division on the question now before the House stands deferred until 5.30 p.m. tomorrow at which time the bells to call in the members will be sounded for not more than 15 minutes.

[English]

I wonder if I might have some indication from members as to proceeding to the adjournment motion.

Ms. Clancy: Yes.

Mr. Allmand: I will second that.

ADJOURNMENT PROCEEDINGS

(1850)

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

VIA RAIL

Mrs. Jane Stewart (Brant): Mr. Speaker, I would like to follow up on a question I asked of the Parliamentary Secretary to the Minister of Transport a few weeks ago regarding, of all things, the future of passenger rail in Canada and particularly along the Windsor to Quebec corridor.

The people in my riding spoke out very vociferously against the cuts in 1990. Now they find themselves in a position in which their limited but very important passenger rail service is yet again in jeopardy.

Just by way of interest, the other day I was down on the platform in Brantford and saw 40 men and women prepared to board the train to Toronto and points eastward. There were men and women on their way to work in the city of Toronto and young adults on their way to university in Toronto. Seniors find the

train service very accommodating and easy to access, and there were two going into the city to visit with medical specialists, friends and neighbours, and to go to the theatre. As well there were two families that had been visiting in southwestern Ontario and were on their way home to Quebec City.

As the parliamentary secretary knows, the line that runs between London and Brantford and goes on to Toronto is the least subsidized of all the VIA lines. I cannot see that it would make any sense to further cut the service along that section of the corridor.

Beyond that I would like to say I have listened to the parliamentary secretary and the minister talk about how they view VIA's initiatives in terms of managing continued federal government funding cuts, that they will be looking at managerial restructuring and efficiencies, that they will be working to upgrade, modify and update their very outdated labour contracts, and finally that they will be rationalizing unused infrastructure.

I would say to the government that it must insist VIA is successful in all three of these approaches. Beyond that I would like to suggest and believe that the government should prepare a comprehensive multimodal transportation strategy for Canada that would include an individual comprehensive mandate for VIA setting out its mission, its roles, its goals and the expectations by which its success can be measured.

I think in that mandate it will become clear to us that in places like southwestern Ontario the VIA infrastructure is most commonly used as a commuter service. I am not sure that I as a member from southwestern Ontario feel comfortable asking the rest of Canada to support that specific use of the infrastructure, just as I expect those in Alberta are necessarily anxious to ask those of us in Ontario and further east to support the VIA service to help them build their tourist industry.

While we as a national government should continue to support this very important passenger rail infrastructure, we should also encourage VIA to work very closely with our provincial counterparts to ensure that the use of the infrastructure is effective and very useful to the particular region in mind.

These are important things our government could do. In fact debate should be held in the House of Commons and a loud and clear direction should be given to VIA to be again a successful and useful mode of passenger rail transportation in the country.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want first to congratulate the member for Brant on her hard work in promoting the needs of her area, especially the transportation needs of the people of the riding of Brant and elsewhere.

I can also say that we share a common vision with regard to the role that passenger rail service should play in the country. Some of the suggestions she put forward are obviously ones that the government and the minister are considering.

Adjournment Debate

I should point out, though, with respect to her specific question that it is premature for the government to look at specific service cutbacks or service routes at this time. I believe the member alluded to the fact that VIA is currently conducting some negotiations with its workforce. Those negotiations hopefully will be fruitful so that in fact VIA can meet its fiscal requirements as mandated by the government and essentially be able to maintain a viable passenger rail network across the country.

(1855)

I should also point out that not only are the workers part of the solution. We have always said in the House that passengers must be part of the solution. As well as other interested parties, municipalities and provincial governments, passengers need to be part of the solution for a new invigorated VIA.

People have to use trains. People talk about the value of trains. They want high speed trains. They want to use train services. The reality is that they jump in their cars usually by themselves and travel from point *a* to point *b*. We have to do much more to encourage people to use this mode of transportation. That is very fundamental.

Let me point out to members that there is a unique opportunity for all parties to work together toward a solution, including the municipalities and provinces, as they have between Brantford and Toronto. They have helped subsidize that particular route. That is an opportunity for everyone to work together to ensure that we can maintain a passenger rail service in the country.

[Translation]

INTEGRATION OF IMMIGRANTS

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, following my comments of April 14 last, in this House, regarding certain allegations made by the Minister of Citizenship and Immigration concerning COFIs, centres for the integration of immigrants into the French community, may I remind the minister that the fact that the federal government reinvests taxpayers' money in these centres does not give it the right to interfere with Quebec's rights.

As a matter of fact, the jurisdictional limits of both levels of government were defined in the federal-provincial agreement known as the Cullen-Couture agreement, which was signed in 1978, and later broadened and confirmed by the MacDougall-Gagnon-Tremblay agreement. The terms of the agreement are very clear. They give Quebec total jurisdiction over immigrant services and social integration of immigrants through the COFIs.

Fortunately, the Quebec Minister of International Relations and Cultural Communities, Mr. Ciaccia, called his federal

counterpart to order and suggested that he should mind his own business, just as the Bloc Quebecois did in this House.

The statement by the Minister of Citizenship and Immigration criticizing the lack of enthusiasm shown by the COFIs in presenting the Canadian reality is indeed a case of unacceptable meddling in Quebec affairs.

I would remind the minister that it is not for nothing that Quebec has been demanding, and finally got, some powers regarding immigration. In fact, the repatriation of every power in this area amounts to nothing less for the Quebec society than its own survival and the preservation of the French language on its territory. The integration of newcomers into the French community has always been essential to our survival as a nation.

I take this opportunity to congratulate COFI instructors for their excellent work in making refugees and immigrants feel welcomed and in helping them get integrated into our society.

I would point out to the minister that COFIs are not supposed to give immigrants courses on federalism, but rather to give them basic instruments which will help them cope with their new environment, that is Quebec and especially Montreal, where over 80 per cent of the immigrants are found.

Lessons on day to day living informs newcomers about front-line services such as transport, housing, welfare, health insurance or education. As you can see, all those services are under Quebec's jurisdiction.

The minister should know that out of approximately 45,000 immigrants to Quebec, only a small fraction can take advantage of the COFIs' integration services. A large majority of them must manage by themselves to find information and adapt to their new environment.

As we can see, the situation is far from reflecting the minister's description. Instead of asking COFIs to praise Canadian federalism, the minister should give them the financial means to offer all newcomers the services they need for harmonious integration into our society.

(1900)

[English]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, the Minister of Citizenship and Immigration has already stated unequivocally on the floor of this House that there is no disagreement between himself and his colleague from the province of Quebec vis-à-vis their respective roles in helping new immigrants successfully integrate.

Settlement programs and services in every province in this country help newcomers access services in their new community and participate in local life. Much of the information provided relates quite specifically to the communities and province in which the immigrants live.

Adjournment Debate

For immigrants destined to the province of Quebec the Canada–Quebec accord recognizes Quebec’s exclusive responsibility for settlement and integration services for which there is federal compensation.

Not only is there no problem but the federal government appreciates that understanding and appreciation of Quebec culture and society is vital in helping immigrants in Quebec adapt to their new surroundings.

The minister has told his Quebec counterpart and stated in this House that he thinks that Quebec has a first rate settlement program for its immigrants.

Conversely, the Quebec government understands the role of the federal government in promoting awareness of Canada. In its responsibility for citizenship, the minister is committed to promoting what he has called a strong, exciting patriotism and love of Canada. This is the essence of the citizenship review that he recently announced.

Immigrants throughout Canada have the opportunity to seek Canadian citizenship. It is the mandate of this ministry to provide information and assistance to Canadians seeking information about citizenship and particularly to immigrants preparing for citizenship.

I am pleased to report that the federal–provincial committee responsible for the Canada–Quebec accord met on April 29. It considered the questions raised in the media about the integration of immigrants in Quebec. At this meeting Quebec representatives tabled a copy of their linguistic integration program highlighting that its purpose is to provide immigrants with the basic tools necessary for integration into Quebec society.

The Quebec program is not designed as an introduction to citizenship, the latter being a federal responsibility.

On April 14 the minister announced his plans to develop a new Citizenship Act for a renewed and reinvigorated citizenship for all Canadians. The Canada–Quebec accord clearly gives the Government of Canada sole authority in citizenship matters.

Most eligible immigrants apply for and receive Canadian citizenship. Any measure to promote citizenship will of course address their needs as well. Members of the federal–provincial committee or comité mixte exchange information as required. That is its mandate and the minister believes in letting the committee carry out its mandate.

HANDGUNS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on April 27, I put a question to the Minister of Justice asking him what action he would take to ban handguns as a result of a meeting he had earlier that week with a group which made that proposal to him. The group in question consisted of representatives from Concordia University, the Canadian Safety

Council, the Canadian Bar Association, the Ottawa chief of police and others.

In answer to my question the minister said that the government is committed toward more effective gun control, but he was not able to give me much detail at that time in his answer. As a result I am putting the question once again today.

Since that time several important things have happened. We have had two drive-by shootings in this area recently, one by a group of minors who were able to obtain weapons, guns and ammunition illegally and without much difficulty.

The second happening was a very important resolution passed by the Liberal convention here in Ottawa just a few weeks ago. In that resolution which was passed by an overwhelming majority of the convention delegates, among other things they asked that the private possession and ownership of handguns be severely restricted.

As many have pointed out and as I have pointed out in this House before, handguns are not used for hunting. They have no legitimate purpose with private individuals and therefore should be banned or at least severely restricted. They are now restricted weapons but they are still available too loosely and much can be done to tighten that up.

Among the other subclauses of that resolution is one which would ban the sale and ownership of ammunition to those under 18 years of age. The sale of such ammunition would only be made to adults if they were in possession of the appropriate documentation.

(1905)

For years I have been proposing that no one should be permitted to buy ammunition unless they present the firearms acquisition certificate. In this way all those who want to use and/or own weapons would have to get a firearms acquisition certificate because in order to shoot the gun and to be effective in one’s shooting of the gun, one needs both the gun and the ammunition.

If we can put more obstacles in the way of those who want to use weapons in a criminal way or illegally, the better off we are and the better chance we have of reducing crime with guns. To oblige people to have a firearms acquisition certificate or other appropriate documentation, as the resolution points out, the better chance we have of preventing incidents such as happened in Ottawa and other incidents across the country where people have committed crimes with guns.

I repeat over and over again that there is considerable evidence from Canada and around the world that where guns are less available and where ammunition is less available there are fewer crimes with guns. That is an absolute fact that has been shown over and over again.

Adjournment Debate

Once again I want to thank the Minister of Justice for his answer to me and also the response of the Prime Minister following the convention. If the parliamentary secretary could give us more details with respect to this important matter, we would appreciate it very much.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the Minister of Justice recently indicated in this House that the government is committed to enacting more effective gun control legislation.

He has said that the government is looking at all of its options and that it will be introducing measures in this House in due course.

I speak for many members of this House when I say that I am concerned about the levels of violent crime in this country. Canadians are afraid of violence and they want their government to take strong measures not only to stem the growth of violence but also to reduce it. They are afraid that values in other countries where citizens are allowed easy access to firearms will take root in Canada.

The minister has indicated that the government is considering its options, one of those being more controls on handguns. There may be some legitimate use for handguns but in my view these should be the exception and not the rule. They should be carefully screened and under close control. Handguns are the most useful type of firearm for many common offences.

In the United States where they are not under the type of restrictions found in Canada, they are the most commonly used firearms in crimes such as armed robbery and homicide. In Canada, they are already under strict controls and criminal misuse is less common but it is increasing.

In previous years handgun homicides represented about one-third of all homicides from firearms. In the last year or two this has risen to about one-half of all firearms homicides. Under the circumstances, complete prohibition of handguns must be an option. If this does not prove feasible, then the government should act to make sure that only those who actually require handguns are allowed to possess them and that strict and effective controls are in place for those who do possess them.

The minister said that he is looking at these options. I am confident that these options include measures to respond to concerns about handguns. As the hon. member well understands, the subject of gun control has a long and contentious history in this House. When the government brings forward its proposals I am sure that they will receive close scrutiny. I am sure that this House will respond to the calls of Canadians for strict and effective gun control and that the response will also be a response to the concerns raised by the hon. member.

[*Translation*]

UNEMPLOYMENT INSURANCE

Mrs. Francine Lalonde (Mercier): Mr. Speaker, on March 24, I asked the Minister of Human Resources Development the following question: "How can the Minister argue that his government's priority is job creation, when its only strategy is an attack on 85 per cent of the unemployed, and moreover in the poorest provinces?"

I could ask this question to the minister because I had just received the information that unemployment insurance cuts for 1994-95 and 1995-96 would amount to \$735 million a year in Quebec and \$630 million in each of these years in the Atlantic provinces. This adds up to \$1.365 billion in cuts for Quebec and the Atlantic provinces together, where some 30 per cent of the Canadian population lives.

(1910)

Before the minister made these changes to unemployment insurance that will be submitted to Parliament, was he concerned about the economic impact of these cuts? I am talking about the economic impact because claimants will receive less, because they will not have access to unemployment insurance, because they will not have accumulated as many weeks of work, because benefits will be lower. This reduction means less money circulating in Quebec and in the Atlantic provinces, money that would pay rent and buy groceries and other necessities.

When governments have laws like the Unemployment Insurance Act to give money to workers who lose their jobs, this money is immediately put in the economy. It is not used to buy luxury goods and it is not used to accumulate wealth or to speculate either. It is money that goes into the local communities and all these communities, whether they are in my riding or in the Lower St. Lawrence or in small villages in the Atlantic provinces, will be directly affected because there will be less money in circulation.

Has the minister thought of the additional burden he is imposing on the provinces because social assistance will be greatly affected? Employment and Immigration published figures showing that increased welfare caseloads are expected. For example, it predicts 14,500 new applications from people who run out of UI benefits and 4,400 from people not entitled to UI.

In Quebec alone, the minister predicted—and we can consider these figures to be conservative as well—that 14,500 more households would be on welfare at a cost of \$127 million for next year; I repeat, these figures are conservative. So I repeat my question: How can the minister claim that he is working on job creation when, before helping people, he cuts what they need to eat, to live and to hang on?

*Adjournment Debate**[English]*

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, in terms of actual money transferred, Quebec and Atlantic Canada will still be better off than the rest of Canada. Taking into account the changes introduced on February 21, the Atlantic provinces as a whole will receive \$970 in unemployment insurance per capita and Quebec \$730 per capita compared with \$575 per capita for all of Canada.

Historically Quebec and Atlantic Canada have each received more in benefits than they paid in premiums. On average each receives about \$1 billion annually in transfers from Ontario and the western provinces.

[Translation]

The changes that we proposed to the unemployment insurance plan aim at putting people back to work. Small businesses asked us to give them a break and reduce unemployment insurance premiums so as to be able to create jobs for Canadians. This is what we did.

[English]

The unemployment insurance changes cannot be seen in isolation. They represent a first but interim step in giving Canadians a sense of new direction.

If in the redesigning of the social security system we find that different changes are needed, we will make them. There is no doubt that the proposed measures will impact on some unemployment insurance claimants. That is unavoidable. We have tried to make the changes in a manner that is fair and protects those with the greatest needs.

(1915)

[Translation]

Unlike the previous government, we made sure that the changes took into account the needs of the poorest of the poor.

[English]

As we begin the shift from our current set of programs to something more comprehensive, we have decided to reintroduce a principle into unemployment insurance that was part of it for 30 years. That is we have decided to look at the needs of individuals with low incomes and with dependants and to provide more adequate coverage for these Canadians. These individuals will receive a 60 per cent benefit rate. Others will receive 55 per cent.

With the provinces and the territories we will initiate new programs targeted at the most chronically unemployed Canadians. We have dedicated \$800 million over the next two years for these strategic initiatives to test out new approaches to social security.

[Translation]

INTERGOVERNMENTAL AFFAIRS

Mr. Jean Landry (Lotbinière): Mr. Speaker, my question is directed to the Minister of Intergovernmental Affairs and again concerns the referendum on the defunct Charlottetown Accord. In 1992, this referendum cost Canada the modest sum of \$145 million. The federal government paid \$105 million, while Quebec paid \$40 million under its election legislation. Need I recall that this means Quebec spent more than its share? In addition to the \$40 million, Quebec spent one-quarter of the federal expenditures, or \$26 million. So altogether, Quebec spent over \$66 million, far more than any other province.

Quebec is therefore entitled to put in a claim to the federal government for reimbursement of these \$26 million, its Canadian share, since it had already spent its provincial share.

As I pointed out in the House on May 4 this year, no payments have been made by the federal government to the Quebec government so far. However, the issue has been raised several times by the Government of Quebec, the Bloc québécois and the Parti québécois. Personally, I asked the Minister of Intergovernmental Affairs of Canada for some explanations on May 4. I repeat, in terms of dealing with the issue, the evasive response of the minister was certainly not satisfactory.

The behaviour of the federal government certainly defies all logic. Barely a week before the federal election, on October 19, 1993, in response to a question by the Leader of the Opposition in the National Assembly, the former minister responsible for Electoral Reform, Marc-Yvan Côté, who is a federalist, thank you very much, maintained that there was a commitment by the federal government to reimburse the cost of this referendum. Mr. Côté pointed out several times that he had submitted several requests to the federal government and had done so on the basis of a commitment made by the previous Conservative government to reimburse the Quebec government.

This injustice to Quebec is an issue not only for sovereigntists in Quebec but also for the federal government's federalist friends. The Quebec Government has been patient, but we have now been waiting for 18 months.

How can the Minister of Intergovernmental Affairs explain the fact that no decision has been made regarding the reimbursement of this amount of \$26 million? It is, in fact, a legitimate request which the Quebec government has made several times. How can the minister explain the unfair decision he is making by having Quebecers pay more than their share of a referendum on the renewal of the Canadian federation?

How can the minister explain his decision given the results of the referendum which was overwhelmingly defeated, contrary to what the Liberal Party of Canada wanted to see? Are we to understand from the behaviour of the minister and his government that Quebecers must pay more dearly than the English provinces of Canada its rejection of this agreement? Everyone knows that several other Canadian provinces also rejected the

Adjournment Debate

Charlottetown agreement and the situation with Quebec is still unresolved.

Finally, I come to the conclusion that for some federalists equity does not have the same meaning if it applies to English provinces or to Quebec. The longer the federal government waits before reimbursing the \$26 million the Quebec government is entitled to, the more this double standard will become obvious to the Quebec population.

[*English*]

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs): Mr. Speaker, on October 26, 1992 there were two separate referendums, one in Quebec and one in the other provinces and the two territories.

Quebec held its own referendum under provincial laws while a referendum was held in the rest of the country under the federal Referendum Act. It was Quebec's own decision to hold a separate referendum subject to provincial not federal laws.

[*Translation*]

You will remember that, with Bill 150 and after the demise of the Meech Lake Accord, the Quebec government had pledged to hold a referendum on Quebec's sovereignty before October 25, 1992. Following the Charlottetown accord, Quebec changed its own bill in order to hold a referendum on the Charlottetown accord rather than on Quebec sovereignty.

[*English*]

Parliament has also adopted its own rules to permit the holding of a referendum under federal laws. On June 23, 1992 the federal Referendum Act received royal assent.

On September 10, 1992 after a debate the House of Commons approved the text of the referendum and the referendum question which read as follows: Do you agree that the Constitution of Canada should be renewed on the basis of the agreement reached on August 28, 1992?

On September 17, 1992 the governor in council issued by order in council an order that a proclamation do be issued directing that the opinion of the electors of nine provinces—except Quebec—and the territories be obtained on the referendum question.

The federal government did consult the electors of nine provinces and two territories on the Charlottetown accord according to the federal Referendum Act.

[*Translation*]

As for the Quebec government, it decided to hold a separate referendum on the Charlottetown accord. Quebec followed its own rules on the referendum question, the referendum process and the voting.

[*English*]

On October 26, 1992 there were two separate referendums subject to two different sets of rules. The question of reimbursement of the Quebec referendum costs by the federal government is now being discussed bilaterally with Quebec.

The Acting Speaker (Mr. Kilger): It being 7.22 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.22 p.m.)

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