

*Private Members' Business*

Having said this, the government would like to take this opportunity to remind the House that thousands of students require financial assistance right now. A number of measures have been taken to help them in this regard.

It is important to remind the House that with the passage of the new Canada Student Financial Assistance Act in June last year, the government introduced important reforms to the Canada student loans program intended to support post-secondary education within a responsible fiscal framework. A number of these reforms are being phased in during the 1994-95 school year. The remainder will come into effect once the new act has been proclaimed.

I believe it is appropriate to remind the leader of the Reform Party and all hon. members about these measures which the government has taken to help students complete their education and become contributing members of Canadian society.

The loans limits had been frozen for 10 years, but they have now been increased. The weekly loan limit for full time students has moved from \$105 to \$165, an increase of approximately 57 per cent. The increase gives students up to \$5,610 per school year, rather than \$3,570. We also raised the ceilings on loans for part time students from \$2,500 to \$4,000. Part time students will no longer be required to repay the principal of their loans while they are studying. The changes give both young and mature students greater opportunities to fulfil their education.

Through consultations with the provinces and student groups, special opportunities grants for students with disabilities are being phased in. The government has allocated approximately \$5 million in 1994-95 for these grants which will also be available next year.

The government is also working with the provinces to explore ways that would help ensure that students who must borrow the most are not burdened with debt loads above what they can repay. In so doing, the government wishes to provide an incentive for success.

As well, low income borrowers may be eligible for interest relief up to 18 months following completion of their studies. This applies to workers who are not earning enough money to meet their monthly student loan payments. Such a provision is currently restricted to borrowers who are unemployed or temporarily disabled. We are working with the provinces to apply the Canada student loans program with greater consistency and fairness.

Levels of assistance are being addressed according to the individual student's needs. Changes are easing the financial burden on low to middle income families whose children deserve every opportunity to complete their education. Specifically in this regard, the parental contribution table has been revised to ease the burden on families.

Over the next five years, students will benefit from loans and grants in excess of \$6 billion. That is an increase of \$2.5 billion over the previous five years. This additional investment will give more than 1.45 million students access to post-secondary education during this same period which is an increase of approximately 200,000 students compared to the last five years.

• (1805)

These new arrangements will reduce defaults and give students greater flexibility to repay and lower the costs for Canadian taxpayers. Lenders will now have more incentive to provide better services and offer income sensitive terms for repayment.

A more equitable system must go hand in hand with measures to reduce and control defaults. To that end, the program's eligibility criteria is being revised to emphasize results. Simply put, we will link financial assistance more closely to the student's successful completion of his or her studies. This will help to ensure the students who require financial assistance receive it.

Another aspect is we are collaborating with the provinces to develop consistent criteria for the educational institutions participating in the Canada student loans program. This too will ensure that aid is targeted wisely and costs are controlled.

The government is also carrying out discussions with lenders on new financing arrangements. The goal is to set terms that are realistic so borrowers will be able to repay their student loans relative to their income. This will improve the situation with respect to loan defaults, thus saving Canadians hard earned tax dollars.

One of the important things as members of Parliament is to relate the changes we make in this House to the community level, to the real lives and the real challenges that Canadians face. So that the people watching this debate have a clearer understanding of the type of impact it will have on their families, on the children and the students, I would like to give some brief illustrations of the type of positive changes we have introduced via the legislation cited earlier.

Let us take for example the case of Danielle who is attending the Technical University of Nova Scotia in Halifax. Danielle comes from a family of four whose annual income is \$44,000. Danielle's family cannot afford to contribute to her higher education but she has managed to work during the summer and save approximately \$1,800.

Her total assessed educational need is \$7,400. Under the old method of assessing need, Danielle would qualify for only \$2,600 in maximum aid. Under the new provision of the Canada student loans program, Danielle is now eligible for 60 per cent of her assessed need which is \$4,440. That is an increase of \$1,840. As for the remaining 40 per cent of assessed need, Danielle can apply to the province for additional assistance.