

Government Orders

[English]

Let us focus for just a moment on how that applies to the area of higher education. I have heard certain members wax eloquent about how this is some form of intrusion. It shows that they neither know their history nor have read the document.

Since World War II the federal government has supported the educational efforts of the provinces. We did so because, as the national government, we recognized that good education is one of the foundations of a good economy. We also have to ensure that there is equity in all parts of Canada; that a student in Newfoundland gets the same treatment as a student in Ontario or British Columbia. We also recognize that the provinces which also have a responsibility would need support to expand the system to ensure that there was opportunity.

For example we spend close to \$1 billion on student assistance. At the present time, with the clear right to opt out, we would simply transfer the funds and the provinces would implement their own system. Quebec and the Northwest Territories have availed themselves of that. We also have a transfer system that was established in 1977 where we transfer moneys to the provinces by tax points and by cash.

What is happening under the existing rules that have been in place since 1977? As the revenue to the provinces grows because of the growth in the economy and the population, they get more money, they get more revenue. It is an invisible endowment from the federal government to the provinces to help them with education. It is a permanent commitment to support them.

• (1105)

Some provincial treasurers may not be prepared to admit it, because they keep getting \$200 or \$300 million more every year in additional revenue. That is okay. We made the deal. The corollary is that as the revenue goes up with the tax points, the cash begins to go down because on a constant basis there is an escalator clause.

Under the existing rules we could see the reduction of those cash transfers over the next 10 years. That does not mean a loss in revenue because the revenue to the provinces is going up at the same time. It means that the cash directly attached to students and others disappears into provincial treasuries.

We are saying that before we let that vacuum exist, before the money disappears, before it is reduced, let us see if we can do something creative. Let us see if we can do something to substantially broaden accessibility for students across Canada. Let us recognize that tuition rates have been going up every single year under the existing system by 10 per cent per year. They have doubled over the last five years across Canada. Students need some help to meet that problem.

We also have another major issue. People who are presently in the workplace do not have any financial assistance to go back to school. They do not have a program for them. Unless they are on social assistance or UI there is no training assistance. They have great difficulty getting eligibility for university.

They want to go back to school. The woman today who is a seamstress has a dream of becoming a fashion designer. A car mechanic may want to become an engineer. It is our job to help them do that. We are facing continuous learning. That is why we are saying before the cash transfer ratchets down year by year, let us take hold of it and use it to lever another \$3 billion back into higher education.

Let us put a lot more money back in the system. Let us make a much broader, wider system of grants and loans available to students of all kinds everywhere. They can get access to our system on a basis where they can repay the money according to income. It would not be like the present system where they repay like a mortgage system with flat rates regardless of what their income is or if they have income or not, but they should pay according to their income.

That to me is a proposition. It is an idea that we want to place before the provinces. If they want to opt out of that new system that is their business. We clearly say in the paper, even though a few have not read it, that if the provinces want to do it they have the right to do it, no arguments. Let us do something to substantially broaden accessibility for young people.

Let us broaden accessibility for people in the work force. Let us give every Canadian a chance to be continuous learners throughout the course of their lives and therefore substantially enrich and broaden the wealth and experience and knowledge of this country as a whole.

We also have to take a look at the social security system. Once again it seems that people have forgotten their history slightly. We have a cost shared system. The Government of Canada pays about \$5 billion for tax benefits directed to children. We also have about \$7.7 billion that is cost shared with the provinces to help them pay for their social assistance programs.

One of the problems is that over the years a whole system of rules has built up. The rules say that if somebody on social assistance wants to go back to work, have their chance at a job—it may be a minimum wage job, a starting job—we ask that we tax back 75 per cent of their income. They are only provincial rules, but under the Canada assistance plan rules, we do not permit provinces to invest in learning, job creation, training as a result of CAP.

It may have been a rule that made sense back in the sixties when social assistance was only dealing with a small proportion of the population, but we are talking about three million people now. We are talking about half of those on social assistance being employable. We are not talking about the most vulnerable