

*Canada Student Loans Act*

advised that when the program commenced, the banks were paid  $4\frac{1}{2}$  per cent interest by the federal government. This rate has been increased to  $8\frac{1}{8}$  per cent.

**Mr. Gray:** It started at  $5\frac{1}{4}$  per cent.

• (4:10 p.m.)

**Mr. Hales:** It is now up to  $8\frac{1}{8}$  per cent. The federal government is paying a mighty good interest rate to the lenders of this money. I conclude by repeating that I feel this has been a very worth-while piece of legislation. I believe the plan must have careful guidance and direction from those in control, otherwise it will get out of hand. Those who take loans must be informed that they must be repaid. They must have a mature and responsible attitude when it comes to repaying loans which have been granted them for the specific purpose of their getting through university. It is a privilege that was not accorded to many in this House. Loans of this type were not available when many of us went through university, but by some way or means we got through. We worked hard to pay our way through. When today's society comes forward with such advantages as these, the only fair and reasonable response of students is to repay the loans on time and with thanks for the privilege that has been accorded them.

**Mr. Murray McBride (Lanark and Renfrew):** Mr. Speaker, I wish to take a few moments to make some comments concerning Bill C-135, to amend the Canada Student Loans Act. But before I make them I want to commend the minister who introduced the bill and say that not only myself but, I am sure, many members of the House are delighted to see him in the cabinet. We wish him well in all the responsibilities which he handles so capably.

I also want to make two observations about the speeches just made, one of them by the hon. member for Wellington (Mr. Hales). I suppose it is only good, common sense to put on the record the remarks he made concerning the necessity to crack the whip even over such venerable institutions as the banks. This is a laudable observation and I concur in it. The other notable comment was by the hon. member for Gloucester (Mr. Breau) who said that perhaps we should look at the whole structure of post-secondary education and ask ourselves whether we are getting good dollar value for the money that is being spent on it in Canada, and whether in a modern society with all the means and advantages of modern

[Mr. Hales.]

techniques of communication we should continue to have a tremendous number of duplications of facilities, administrations, etc.

The main features of the act are these. First, the act will extend the insurability of loans that are issued by three groups other than regular banks, namely, trust companies, loan companies and insurance companies. Second, it will include students who are land-immigrants. Several speakers have commented on that feature of the act and I shall not elaborate on it now. Third, I am delighted at seeing the flexibility clause included, that is, the \$500 for a semester which is now added to the \$1,000 for a whole year.

There is another very good provision to which reference has not been made hitherto in this debate. I feel it is important that we have a ceiling on the loan that a student can take—the ceiling here is \$5,000—so that students do not come out of the end of the educational pipeline so encumbered by indebtedness that they are forced to do what the hon. member for Oshawa-Whitby (Mr. Broadbent) suggested some are already doing, that is, take employment and pursue goals in society that they would not normally pursue but for the fact that they are so encumbered by debts. In this sense we must do everything we can to enable those who pursue education not to become slaves of our economic system when they have finished their formal education. The clause in this bill specifying that the government will pay off the loan in the case of the death of a student is one that I am delighted to see. I think it is a genuine step forward. It demonstrates the sensitivity of the drafters of this bill, and of the government, to the needs of youth and to what can happen in extreme circumstances.

The main provision of the act is the one which states that the over-all amount of money that is being insured will be raised from \$100 million to \$115 million for 1970. That is an increase of \$15 million of insurable loans at a time of austerity. I think this says in a more than symbolic way that the government is well aware of the priority of education and of the fact that improved educational opportunities should be at the top of its priority list. Thereafter, as the Minister without Portfolio (Mr. Gray) has so well explained to the House, the amount of money to be made available will be tied to the proportion of the population that is made up of students.

This act also bears on the problem that is before us all in an increasingly technological-ly oriented society. Unfortunately, for many