

*Canada Student Loans Act*

at an amount equal to 30 per cent of the basic loan provision for a given year. This will provide greater flexibility in meeting the requirements of provinces which for one reason or another have relatively higher student loan requirements than others.

At the time the act was implemented virtually all students attending post-secondary institutions did so on the familiar academic year basis, that is, a fall and winter term followed by a relatively long summer vacation. Accordingly, the terms and conditions under which individual students could obtain loans were all related to the academic year, defined as a distinct period of full-time studies of not less than 26 consecutive weeks.

The past five years have seen a considerable growth in a new form of study program, the semester system. Under this system a student completes a study program which is broken into a number of distinct periods, generally three or four in a year, and to which the traditional concept of the academic year is not applicable. While these students were not definitely excluded from the benefits of the Canada student loans plan, a number of complications and problems were encountered by many of them. Amendments are contained in this bill which will explicitly include students studying on the semester system as well as those who study on the academic year basis. Thus, the full benefits of this program will be made available to a group of post-secondary students whom it was intended to include within it.

Provision is also made in the amendments to enable trust companies, insurance companies and mortgage loan companies to apply to the Minister of Finance for designation as eligible lenders under the plan. Lenders presently operating under the plan are all the chartered banks as well as certain credit unions that have applied for and received designation as eligible lenders.

This amendment will broaden the classes of lending institutions to which students can apply for loans. It will parallel changes made in the recent past in two of the other guaranteed loan programs operated under the Minister of Finance, the farm improvement loans and the fisheries improvement loans programs. It will also parallel changes which are proposed in the bill to amend the Small Businesses Loans Act, which will be considered next by the House.

I would like to comment on another amendment in this bill. The existing provisions of the act provide that students are eligible for

[Mr. Gray.]

loans if they are, among other things, Canadian citizens, or are not Canadian citizens but have lived in Canada for one year and have indicated that they intend to make their home in Canada upon completion of their studies.

• (3:10 p.m.)

The proposal in this bill is to require that persons who are non-Canadian, to be eligible for a loan under the act, must have landed-immigrant status and must have resided in Canada for one year. The effect of this amendment is simply to clarify the language presently in the legislation, since it is a condition to obtain landed-immigrant status, and provide that applicants for loans declare their intention to reside permanently in Canada. Let me stress that the amendment will, therefore, in no way restrict the availability of student loans to new Canadians who come here to make this country their home. The main effect of the amendment will be to make clear that foreign students here on student visas are not eligible under the act.

There are a few other amendments in the bill, Mr. Speaker, but I will not take the time of hon. members to describe them at this point. They are either consequential on one or more of the amendments I discussed earlier or are of a minor administrative nature. I am sure hon. members will agree that they can be covered adequately in discussions in the standing committee.

May I say in closing, Mr. Speaker, that the government believes that the Canada Student Loans Act has served a useful purpose in aiding tens of thousands of young Canadians to further their education beyond the secondary school level, enabling them to be better able to take advantage of the opportunities which Canada today offers its young people and thereby to make a greater contribution to Canadian society, which is ultimately of benefit to all Canadians. It is the hope of the government that the amendments being considered at this time will be supported by the House to enable the Canada student loans plan to work even more effectively in achieving its important goals.

**Mr. Stanfield:** What happened to all those scholarships?

**Mr. Dinsdale:** Ten thousand!

**Mr. J. Chester MacRae (York-Sunbury):** Mr. Speaker, I should like to thank the minister for the very comprehensive statement that he has given to the House on a very important subject, the education of the youth of