

Government Orders

Under the present Student Loans Act now in effect, the appropriate authority is designated by the Lieutenant Governor in council in the province concerned.

• (2300)

From now on the Minister of Human Resources Development will be able to exercise this power, since clause 3.(1) says:

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.

Then there is a very important new provision:

(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, in the case of a designation of a class, may exclude any named institution from that designation.

Now, the federal government will be able to designate an institution of learning.

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 the Act or the regulations.

This could ultimately lead to some agreements, but then clause 4(2) stipulates:

(2) The Minister 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.

It is one of the first times that such a clause has been used, according to several experts. The truth is finally coming out. The Minister has full power over the appropriate authority and he would be free to sign agreements with the provinces with a view to harmonizing the management and the funding of financial assistance. This is just another centralizing effort by the federal government in the area of education.

Clause 12(1) is very ambiguous. It stipulates that a certificate of eligibility will be issued to students who have attained a satisfactory scholastic standard and who are in need of financial assistance.

As I said, this is very important. If I may digress, in Quebec, the legislation does not limit access to financial assistance but provides a bonus of up to 25 per cent for students who complete their education within the prescribed time. This means that the amount of the loan to be paid back is reduced. This incentive limits in no way the access to financial assistance.

Considering the powers that the Minister is granting himself and the centralizing tendency of this government, national eligibility criteria are to be expected, I fear.

Furthermore, under clause 14(7) of Bill C-28, amounts paid as compensation to a province that does not participate in the federal student loan program will be included in the calculations only if the government of the province satisfies the minister that its student financial assistance plan has substantially the same effect as the plan established by the act.

Will the minister base his decision on national standards for education or financial assistance to students? Because, I repeat, the bill gives the minister full authority to do so. The minister could also use the federal spending power derived from the money paid by all Canadian taxpayers, and 24 per cent of all taxes comes from Quebec. So, this spending authority, the fact that the minister has to be convinced and that new conditions must be added in each of the sectors, contrary to how things were done previously, or only when part-time students or special exemptions are concerned.

It is disturbing to see that banking institutions also have greater discretionary powers. And what about the risk premium that will be given to the banks, when everyone recognizes that the businesses which are currently making the most profits are the banks?

• (2305)

Clause 18 on the general provisions says that the minister may enter into agreements with federal or provincial departments to facilitate the administration of this act and to harmonize its administration throughout the different levels of government.

We are seeing here a major addition to the existing act on student loans. Once again, the notion of a centralizing federalism is implied here. This notion does not take into account the specific realities of the various provinces. That approach is one of wanting to control everything from the top, without any concern for the exclusive powers of the provinces in the area of education.

Let us talk a bit about student indebtedness. In Canada, tuition fees have tripled since 1984. Because of this increase, students must get deeper into debt in order to pursue their studies. The federal and provincial governments' reduced funding of education institutions will force them to raise tuition fees.

The result is that, with a slow job recovery, 10 per cent of young people are currently filing for personal bankruptcy because they are unable to repay their loans. These bankruptcies entail major costs for governments. The Minister of Human Resources Development tabled this bill on financial assistance to students which, unfortunately, does not reflect all recommendations made by the academic community. When they appeared before the human resources committee the universities were quite concerned about regulations that were rumoured to allow the minister to centralize financial assistance to students.