

Private Members' Business

There is another aspect that I do not believe the hon. member's motion takes into consideration. Because of what I mentioned regarding the provincial jurisdiction over post-secondary education, the federal government, even if it had unlimited funds, has no authority to tell the provinces how they should spend current PSE dollars.

There is no equivalent to the Canada Health Act in this area. I would therefore urge the hon. member to make his views on improving the post-secondary education system known to provincial education authorities.

I assure him we would certainly welcome the support of the Reform Party and of all members in strengthening post-secondary education.

Here is the new reality. Beginning in the 1996-97 fiscal year we will consolidate the current transfers under the established programs financing and the Canada assistance plan into a single block fund to be known as the Canada social transfer.

• (1745)

In the first year the CST will be \$26.9 billion. That is a drop of \$2.5 billion. If we also consider the equalization payment, total major transfers will be only 4.4 per cent less than the current total. However cuts in all other areas of federal spending will be 7.3 per cent compared to the current system. In other words the government is doing what Canadians have asked us to do. We are getting our own house in order.

Equalization payments are not affected by the budget. Hence total cuts to those provinces with greater need will be less than the average cuts to all provinces. While councils that distribute research grants will be doing their share to help meet our deficit reduction targets, universities will still benefit from research grants totalling \$900 million for research on medical issues, science and technology and the social sciences and humanities.

The government appreciates that the hon. leader of the Reform Party has brought forward the issue for debate. I assure the hon. member that the Minister of Human Resources Development will work in collaboration with the provinces to establish the shared principles and objectives for CST.

Post-secondary education will not be shortchanged by us or the provinces. We all recognize, as does the hon. member, that colleges and universities play a vital role in training a highly skilled workforce.

Therefore I would like to move an amendment to the motion:

That Motion M-291 be amended by deleting all the words after the word "system".

I urge the House to support the proposed amendment that would endorse the continued investigation of the feasibility of the ICR concept in the broader context of helping students cope with the debts they incur by investing in their own future.

[Translation]

Mr. André Caron (Jonquière, BQ): Madam Speaker, I am pleased to speak to the motion put forward by the hon. member for Calgary Southwest to amend the Canada Student Financial Assistance Act to include an income contingent loan repayment system. I am aware that my colleague from the Liberal Party has just moved an amendment but I do not think this will affect my discussion of the main motion since the amendment is consistent with the spirit of the motion by the hon. member for Calgary Southwest.

The hon. member favours an income contingent loan repayment system. We know that, under the current loan repayment system, loans are guaranteed by the government. A few months after graduation, the student starts repaying his or her loan according to a schedule set by the bank and at regular interest rates. In his first speech, the hon. member for Calgary Southwest pointed out that about 20 per cent of students had trouble repaying their debts under the current system.

Our Reform colleague's proposal links the annual amount and repayment period of the loan to the student's annual income. It also provides for debt collection through income tax.

• (1750)

At first glance, the proposal may seem attractive in the sense that it allows for some flexibility, which is a good thing for a person in debt. It is important that the system be flexible enough to allow for specific situations. Last week, the Quebec ombudsman noted, while referring to young people who have problems repaying their loans, that one of the main problems was that the banks currently do not have the required flexibility to take into account the situation of these young people, with the result that several of them have no choice but to declare bankruptcy. Obviously, some improvements could be made in that regard.

Collecting debts by using the tax system is also interesting in the sense that very few people can avoid the tax man. This would ensure that the debts incurred by young people for their education would be repaid.

However, when you think of it, that proposal is not as good as it may seem. It is seriously flawed in a number of ways. First, it is based on the principle that education is young people's responsibility. It is up to them to pay for their education, whether by holding a job or getting into debt. It becomes a case of every man for himself. It is the law of the jungle. Society admits to no responsibility toward anyone and leaves it up to each individual to fend for himself.

This is not the principle which led to the establishment of the current loan and scholarship program in Canada. It was felt that education was a right and that society had to help young people enjoy that right. It was also felt that education was a social investment. Young people benefit from school training. Just take a look at the figures on job placement and unemployment;