

*Private Members' Business*

job or not. This leads to an onerous burden on some students and eventual loan defaults with collection costs, loan write-offs and general increased costs to the taxpayer.

Under the income contingent system students would begin repaying their student loan only after they had found a job with a minimum level of income. The federal government would collect the student loans back through the income tax system. This would mean that students would declare their social insurance number on their student loan forms.

If students were allowed the flexibility of repaying their loans over a longer period of time through the income they earn in the future, tuition fees could rise to allow an education of continuing high quality. Students would be able to afford the tuition fees as they could repay over a longer period of time.

An income contingent program would also allow fee structures in universities to be more flexible, introducing a greater element of supply and demand in the system. It would squeeze out the irrelevant and useless courses from our universities, which everyone agrees should be done. If students must pay something more like market value for an education they would choose courses more carefully and universities would begin to supply what was demanded by the market.

I hope this will encourage parents and grandparents to save in an RRSP type fund for their children and grandchildren because of the onerous costs which will be involved.

• (1740)

**Mr. Tony Valeri (Lincoln, Lib.):** Madam Speaker, I am very pleased to debate the hon. member's motion.

I know the hon. member appreciates the value of a good education and wants to ensure all Canadian students are given every opportunity to fulfil their education potential. On that point I am sure all members of the House are in agreement.

Education is a provincial responsibility. It always has been and always will be. Even though that is a given, the federal government recognizes its role in helping to make the post-secondary education system accessible to all Canadians wishing to participate in it.

The government would be acting irresponsibly if it did not consider support for post-secondary education in the context of our fiscal framework.

I remind the leader of the Reform Party that when the government began reviewing our social security system, we made it clear federal support to post-secondary education would have to be put to the best possible use because of limited resources.

That is still the case. Nothing has changed in that regard. The budget proposes to bring together transfers for health, post-secondary education and social services into a single bloc transfer.

This is a simple recognition of reality, not only the reality of fulfilling the mandate Canadians have given us to bring down our deficit but the reality that in the 1990s this will be a much more effective way for the provinces to administer federal funds that support social programs.

The government also supports post-secondary education through the Canada student loans program. When the government passed the Canada Students Financial Assistance Act last June, it introduced significant reforms to the Canada student loans program.

Intended to help students complete their post-secondary studies without undue hardship, the act provides for the repayment of student loans on an income contingent basis.

My colleagues from the Reform Party actively supported this provision. As a result, I am confused why my hon. colleagues are proposing such an amendment at this time.

Since the act was passed the government has consulted many parties on the concept of linking repayment of loans to income levels and that such a measure is still very much a possibility.

In its report to the House, the Standing Committee on Human Resources Development said that during its nationwide hearings it received energetic and concerned input from many educators in colleges and universities.

We can get a good handle on the desires of Canadians regarding federal support to post-secondary education by examining the committee's findings. The committee's report stated the fiscal situation of all governments precludes additional public spending on higher education in Canada.

The committee pointed out that because the government is reviewing its support for post-secondary education at a time when educational institutions are under increasing pressures, fiscal and otherwise, it must ensure scarce resources are used as efficiently and effectively as possible.

The committee noted that in debating federal contributions to PSE, it is essential to stress provincial jurisdictions over policies governing colleges and universities. It is important to help enhance the viability of colleges and universities while not interfering with provincial jurisdiction.

The committee's report reflects the broad views of Canadians on our post-secondary education system. I believe it is reasonable to ascertain from its input that the direction in which the government is moving has widespread support.