

*Canada Student Loans Act*

[English]

**GOVERNMENT ORDERS****CANADA STUDENT LOANS ACT**AMENDMENTS RESPECTING DEFINITION OF  
"BANKS", QUALIFYING STUDENTS, ETC.

Hon. Herb Gray (for the Minister of Consumer and Corporate Affairs) moved that Bill C-135, to amend the Canada Student Loans Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the purpose of this bill is to make a number of amendments to the act which created the Canada student loans plan. As hon. members know, this program was first implemented in July of 1964, in time for the academic year 1964-65. It provides a government guarantee for loans made by chartered banks and certain designated credit unions to qualifying students at the post-secondary level. The federal government pays the interest on these loans during the period that the student is engaged in full-time study and for six months thereafter. From then on the student takes over the responsibility for interest charges and repayment of the principal.

Before speaking in more detail about the proposed amendments, I would like to say something about the important role that the plan has played during the past 5½ years in helping thousands of Canadian students to pursue post-secondary studies. The loans under the plan may be obtained only on the basis of certificates of eligibility which are issued to their own residents by provinces participating in the plan. The act contains a provision whereby any province which operates a student loans program of its own can opt out of the plan as such and receive an alternative payment from the federal government. The province of Quebec elected this option at the time the plan was begun and has received this payment in each year since. All other provinces take part in the plan, as do the governments of the Yukon and the Northwest Territories who issue certificates of eligibility to territorial residents for the purposes of the program.

Eligible students may borrow up to \$1,000 in any one academic year and up to \$5,000 over their entire academic careers. During the first loan year, 1964-65, some 42,000 students received loans valued at over \$26 million. In the loan year ended June 30 of this year, over 107,000 students obtained loans valued at

[Mr. Goyer.]

almost \$66 million, and it is anticipated that the volume of loans could approach \$90 million in the current loan year.

Hon. members can see from these figures that the Canada student loans plan has in fact played a very important role in the field of student aid. When the plan first began in 1964-65 it was the only significant source of student aid available in the participating provinces. During the intervening years, however, many provinces have initiated or greatly expanded their own student aid programs. In many cases they have integrated them with the Canada student loans plan so that financial assistance is provided through a combination of federal and provincial aid.

• (3:00 p.m.)

Each participating province has designated an appropriate provincial authority to be responsible for issuing certificates of eligibility for that province. Each province has an allocation which limits the aggregate value of certificates of eligibility which it may issue.

Very soon after the implementation of the plan it became evident to all concerned that it was highly desirable for provinces to co-ordinate among themselves a number of administrative matters associated with its effective operation. For this purpose a committee of officials of the provincial governments, including the province of Quebec, has met regularly in Ottawa since 1964 to develop and review continuously commonly agreed approaches to a number of administrative matters. Federal officials have also participated in these meetings. At these meetings a set of criteria has been developed which represents a consensus of the provinces concerned.

The effectiveness of the Canada student loans plan would not have been possible without the active participation and initiative of the provinces at these federal-provincial meetings and their willingness to work toward a consensus of the approach to be followed by all of them on matters of common concern linked with its administration. The result has been a basic student loans facility which is available to students in all participating provinces for attendance at recognized post-secondary institutions inside and outside Canada and which is administered on a uniform and consistent basis among the provinces. At the same time it still leaves individual provinces flexibility to deal with those factors they consider to be operating in a unique way within their own jurisdictions.