

I ask honourable senators, has this review ever taken place?

The concern these days is whether the federal government will continue to run the Canada Student Loans Program. It is feared the federal government may be attempting to privatize the student loan program through the creation of a special operating agency to administer the loan program. After all, it is much easier to privatize an operating agency than a government department.

A *Globe and Mail* article of March 20, 1993, is headed, "Student loans plan won't shun needy, Landry says". The article reads:

Secretary of State Monique Landry says a controversial revamping of the Canada Student Loans Program will not restrict needy students' access to financial assistance for higher education, even if one lending institution ends up with a monopoly on the business. "The lender or lenders will be required to make loans to all eligible students. The provincial governments are the bodies who establish who is eligible, and the lender or lenders will just have to follow the rules," said Ms Landry.

However, honourable senators, the loan program could become more restrictive if only one institution or a few were made responsible. What is the motivation behind the impending move to privatize this program? Instead of such drastic measures, the government should be looking at ways of increasing funding to those students who desperately need it. You must remember that the program is assessed on a needs basis and it is often considered to be a means of last resort as all other areas of revenue, including in some cases parental contributions, are used in the loan calculation. In order to receive a loan of any amount, you must demonstrate that you are in need of the financial assistance.

I have often heard the argument that university parking lots are full of cars; therefore, we do not need to worry about the students. I agree that we do not need to worry about those students who are financially sound; however, the Canada Student Loans Program is intended to target those who need the help. We do not want our institutions of higher learning to become elitist. After all, while not everyone is destined for higher education, we should ensure that those wishing to advance are not limited because of financial barriers.

My apprehension concerning this bill has further escalated after receiving a letter dated March 19 from the University of Prince Edward Island Student Union. I should like to take a few minutes to read into the record their concerns about

Bill C-76. I quote from the letter dated March 19 from the Vice-President External, Mr. Bruce Davidson.

A section of this bill would eliminate the interest free period on Canada student loans needed by and presently granted to students upon graduation. Eliminating this "grace period" would serve only to make our post-secondary education, at Holland College and UPEI, less accessible to students. Our province cannot afford the consequences of such a move.

Fully half of UPEI students depend on Canada student loans to make their education possible. The assumption that eliminating the interest-free period would not affect students' ability to continue their education or to cope with their debt loads after graduation is false. In the present crisis in post-secondary education, tuition fees at UPEI have increased 75 per cent in only six years, but no significant increases have occurred to the amount available to students under the Canada Student Loans Program. Consequently, many students now graduate with very heavy debt loads and then cannot find work for quite some time after graduation. The disastrous effects of eliminating the six-month interest-free period should not be underestimated. Many Island students are already shouldering a burden they are barely able to carry in order to simply stay in school and, if they are able to graduate, are then adrift in a very uncertain job market. Eliminating the six-month grace period on Canada student loans seems an unthinkable move in light of this reality.

Honourable senators, we are continually told by this government of our need to achieve a highly skilled workforce to compete in this globally competitive world. However, if we look at this government's commitment to securing a highly skilled workforce, we must recognize that their actions speak louder than their words. Why is the government not practising what it preaches?

As I noted in my previous remarks, while constitutional jurisdiction for post-secondary education rests with the provinces, the federal government plays a principal role through the funding of the Canada Student Loans Program, federal grants to the research granting councils, and federal transfer payments. However, the Conservative agenda on education includes continued tax cuts in federal funding for post-secondary education, a tax on reading with the GST being placed on books, penalizing poor students with a tax on student loans, and continued underfunding for research and development. Only through increased skills and learning can we hope to achieve prosperity in the 21st century.