

Private Members' Business

Second, the federal government provides assistance under the Canada Student Loans Program, to help students from low income families attend institutions for post-secondary education. The program provides for loans totalling approximately \$635 million for about 215,000 students annually. Until the students have finished their studies, the interest on these loans is paid by the federal government.

Third, the federal Income Tax Act contains a number of measures that provide tax relief for students. A tax credit is available for tuition fees paid to post-secondary institutions.

About 1.1 million students claimed this credit for the 1992 fiscal year, thus reducing their federal income tax by \$130 million. Students may also claim an education tax credit based on the number of months of full-time study at a post-secondary institution.

For the 1992 fiscal year, this credit was claimed by 585,000 students who were able to reduce their federal income tax by \$35 million. When students are unable to use all their tuition fee and education credits, the unused portion may be transferred to their spouse, a parent or grandparent, up to a certain maximum. About 400,000 spouses, parents and grandparents were able to reduce their income tax by \$20 million in 1992.

Finally, the federal tax system also allows an exemption of \$500 of bursary income. This measure provides tax relief for over 160,000 students, totalling \$20 million.

In the 1992 budget we announced that the dollar limit on which the education credit is calculated would be increased by one-third, to \$80 per month of full-time study. In addition, the limit on the total amount of tuition fee and education credits that may be claimed by another taxpayer will be increased from \$600 to \$680. These changes will benefit 600,000 students claiming the education tax credit and 400,000 taxpayers claiming the transfer. These changes will reduce federal tax revenues by about \$25 million annually.

Finally, education is largely a provincial responsibility. Generally speaking, there are no tuition or registration fees for primary and secondary education. Since post-secondary education is partly financed by tuition fees, the federal government has traditionally provided direct and indirect assistance to students at the post-secondary level.

• (1750)

That was more or less what I had to say. Although the hon. member made some very good points, I believe that since education is a provincial responsibility, it would be appropriate for the provinces to implement this proposal.

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am pleased to speak on a question concerning education. I am aware that the purpose of the member who made the proposal is to increase in some way the tax credits for Canadian students.

First, I will speak on the constitutionality of his bill. I think that education on the whole is in provincial jurisdiction, and we know that the federal government still contributes as much as \$14 billion or so a year to it. I do not want to go into a lot of detail by giving a breakdown of the various amounts that the federal government gives for education. However, I would like to suggest a new line of thinking about education.

For maybe a quarter of a century, Canadians and the provinces as well have always turned to the government so that young students can obtain academic diplomas. Educational institutions and the federal and provincial governments develop and plan the education of our students throughout the country. We parliamentarians give them large amounts of funding. This involves a transfer from the federal to the provincial governments and the various departments of education, universities and colleges and finally secondary and primary schools.

Our educational institutions use these funds. Increasingly, because of bureaucratic constraints, they spend their resources on meeting government standards regarding the proper expenditure of funds allocated by the federal and provincial governments.

I think that our system has helped moved our school administrations and educational planners away from different requirements: the needs and laws of the market. I do not know if our planners understand that the demands in the field of education are different and have changed greatly in recent decades.

For example, I will speak about my own province. Quebec and the rest of Canada continue to train lawyers and educators and related professionals. Young people are directed towards the humanities and social sciences, and there is a reason for that. Our colleges and educational institutions receive government grants in relation to the number of students. Therefore the more students,