

con break, the third main area of concern which we address in the Bill relates to the problems many students are encountering when they complete their education and attempt to enter the labour force. The transition from university to the work force, which at one time could be accomplished within a space of one to four months, is no longer an easy transition. The fight against youth unemployment is an increasingly strong priority of Government. A student loans program must therefore take into account the fact that many students will not be able to begin to repay their student loans as quickly as may have been possible in the past.

The Government of Canada recognizes the legitimate difficulties that some graduates are encountering in finding employment on the completion of their studies. We are therefore proposing in the legislation an interest relief plan to cover interest charges on outstanding loans for a period of up to 18 months, in addition to the current six-month period of interest-free status for those who complete their studies.

The interest relief provisions in the proposed amendments to the Canada Student Loans Act are aimed at the unemployed borrower who is unable to keep up the payments. Under these provisions the student will be able to apply for interest relief for an initial period of three months but for no longer than 18 months in total. To qualify for interest relief, the individual must be unemployed and have a gross family income below a minimum level.

The interest relief provision is important for a number of reasons. We know that students embarking on a loan worry about the day when they must repay it. This is a particularly vital worry to young Canadians from lower income families who realize that they will be able to account on little assistance from their families when the time for repayment arrives. For students such as these, the prospect of a major debt load combined with worries about finding a job could turn them aside from their studies. These provisions will give reassurance and a greater sense of security to students as they enter into student loans.

Interest relief will also cut down on defaults because of its more generous time period. We do not know how many defaults can be explained by unemployment since the banks, in pressing their claims, do not always give a reason for defaults. However, over the past year there has been an increase of 20 per cent in claims by the banks, and I think it can logically be assumed that much of this increase is attributable to diminished employment prospects.

It is hoped that the interest relief provision will help to alleviate time pressures which are experienced by those who are to begin repayment of their student loans. I suggest, too, that it will have a psychological benefit by presenting to young Canadians a loan plan with which they feel they can cope.

I mentioned earlier that the amendments to the Canada Student Loans Act presented in Bill C-161 are aimed at helping those Canadians who need help most. In that regard I want to highlight one provision which I feel should gain full support in this house, particularly in regard to the Government's response to the Obstacles Report. The special interest-

free periods proposed in Clause 7(1) include, in addition to the unemployed, those borrowers who are incapable of working due to illness or disability. There is also a waiver provision for those who are permanently disabled. Special concern for disabled Canadian students and graduates is thus a feature of this Bill which will give added protection and security to this group of Canadians.

I have now outlined the three main features of the amendments: higher loan limits, aid to part-time students and interest relief. These amendments recognize real needs and take solid steps on a number of fronts. In addition, the proposed amendments have met with an encouraging degree of support from Provinces participating in the Canada Student Loans Program.

Consultations with the Provinces were carried out, both at the ministerial level and at the official level. It is in the context of these consultations that I point to a high degree of provincial support. Indeed, on April 25 the Hon. Bette Stephenson, chairperson of the Council of Ministers of Education of Canada, issued a communiqué to federal Ministers of Parliament which I am sure all Hon. Members will recall. In the communiqué she indicated:

We are hoping for speedy passage of this legislation, which we believe is appropriate for these difficult times, especially in view of the fact that assistance through the federal student loan plan has not changed for almost ten years.

The Provinces are thus encouraging us to get on with it. I, for one, am most anxious to take advantage of this federal-provincial co-operation and accord to bring about much needed further assistance to Canadian students.

[Translation]

Mr. Speaker, we obviously want students to be able to benefit from these, more generous, terms of federal assistance, and I am counting on the provincial Governments to help us achieve this objective.

In addition to encouraging comments received from the provinces and various student associations, I noticed that both Opposition parties seem to be in favour of this legislation. I would therefore urge the House to consider this Bill without delay, so that students across Canada will be able to benefit from its provisions as soon as possible.

[English]

Mr. Walter McLean (Waterloo): Mr. Speaker, I rise to participate in the debate on Bill C-161, an Act to amend the Canada Student Loans Act (No. 2). I assure the Secretary of State (Mr. Joyal) that my colleagues and I in the Official Opposition are in a position, as he knows, to co-operate in the passage today of this legislation. In fact, he knows we have been ready to do so ever since he announced his proposed changes outside the House on March 18.

Our major concern, now that it has taken the Government three months to introduce the Bill, is whether or not these changes will be in place in time for September, 1983. I, as well as other of my colleagues who represent university centres across Canada, have heard the concerns of admission officers,