

### Government Orders

Before I talk about C-28 specifically, I want to talk about the education system in general. I think it has to be our goal in this country to have very lean and efficient universities and colleges whose primary goals have to be to give a very strong education to the young people of this country, to give them the skills that they need in a modern economy. That will ultimately help propel this country forward.

I think the best way to do that is to put the proper incentives in place so that the universities and colleges have a reason to compete to get those students and a reason to use all those resources that they get in the most efficient way possible so that when they have a choice between giving a university professor tenure or spending that money on ensuring that there is another professor in place to give more education to even more students, they will make the right choice and they will choose to provide more services for those young people.

One of the problems in this country today is that students cannot get into universities despite the fact that they may even have good enough marks. Sometimes when they can get into universities they cannot get into the disciplines that they want to, the ones that will provide them with a job when they get out in four years.

• (2230)

I would argue that we have a lot of fixing to do in the universities beyond some of the things Bill C-28 touches on to make sure our universities prepare our young people for the changing world ahead.

One of the reasons students very often cannot go to university is that they do not have the funding. Unfortunately when students apply for a student loan the government too often looks at the income and assets of the parents of that student. This is a very unfortunate part of the system. The government will say they have too many assets. Sometimes people may have a lot of assets but very little income.

For example, people in Newfoundland may have fishing boats which are worth a lot of money on paper. However, if they cannot use their boats to fish because of the moratorium in the fishery and they have no income, how in the world can we justify not giving their children student loans? Unfortunately, that is the way the system works today and it is completely wrong.

One aspect of Bill C-28 would cure that. It is called income contingent repayment. The government has taken a very lukewarm approach to including income contingent repayment as part of Bill C-28. To me it is a beacon of hope for many Canadians, especially middle-income earners who may have some assets right now but do not have the money to send their children to university.

We have to get an incentive in place that will allow these young people to get a student loan and which will also encourage them to use that money in the most prudent way possible, to choose classes that will get them the degree that will get them that job down the road. We want the incentives in place to encourage them to finish up as fast as they can and not become a professional student. We want the incentives in place so that they do not take a course in basket weaving. We want them to become great contributors to the economy down the road.

Two hundred and fifty years ago during the Scottish enlightenment there were great philosophers and economists, people like David Hume and his friend Adam Smith who wrote the great book *The Wealth of Nations* in 1776. They lectured in universities 250 years ago. As the students entered the room they would put a silver coin in a cup at the door. That was how those professors were rewarded. They were rewarded because students knew they were going to learn something when they went to those courses. They would gladly deposit their silver coins to listen to these great men.

Imagine what kind of incentive that was for David Hume, Adam Smith and many other great lecturers and thinkers in the past. The better job they did, the more money they would get. The better job they did, the more incentive they would have. As they gathered some of the returns from their lectures, the more often they would want to speak because they were rewarded.

The same thing happened 2,000 years prior to that. On the outskirts of Athens when Aristotle opened up his Lyceum students came from all over the Greek peninsula. They would come to the Lyceum and pay cash on the barrelhead. They knew of his great reputation and wanted to learn something. Of course there was a great incentive for the students to learn because they had paid cash and they wanted to get something for their money. Of course Aristotle had a great incentive to keep teaching and thinking and coming up with his great ideas.

Compare that to the system as it is today. The universities pay the teachers; the government pays the universities; and the taxpayers pay the government.

• (2235)

I point out today that about 80 per cent of the education that a student gets at university is paid for by the taxpayers indirectly and about 20 per cent by the students directly.

We have very little direct accountability. We have very little incentive to ensure that students get the best possible education. We have very little incentive to ensure that resources are used by the university in the best possible way. For instance, there is no real incentive for them to spend money on getting more students because that is not necessarily how they are rewarded. To a small degree they are, but in many cases they are rewarded on a per capita basis. They get a per capita grant based on the population of the province.