

In the 1992 budget, the government promised to remove the 3 per cent tax on student loans in favour of the additional six months of interest. Time and time again we have been told by honourable senators and spokesmen and apologists for the government that this is a government that keeps its promises. However, Bill C-76 adds six months of interest, but does not touch the 3 per cent tax on student loans. That is unfair; it is wrong; it is a breach of trust and a breach of faith with the students of this country, and yet there are some of you who may be willing to support Bill C-76.

The Finance minister has promised a complete overhaul of the program since 1990. He spoke with some eloquence at the committee meeting the other evening, and I was able to obtain a typewritten transcript only an hour ago of what he said. He stated that the government has:

... entered into negotiations with lenders on a new financing structure for the Canada Student Loans Program. That negotiation is currently under way. [My assistant] will have a further explanation as to the process.

Then the minister, Mr. Mazankowski said:

We entered into negotiations to establish a new financing structure in order to reduce the high default costs and to improve the overall efficiency of the program. In this regard, the government recently released a request for financing and as of the March 12 deadline we have received a number of responses. It is expected that the new financing arrangements will include lender risk sharing, a new rate structure and administrative streamlining.

If we are to believe the minister, a whole new approach to student financing is just about to be introduced. Then he continued:

It is also expected that financial restructuring will enable the government to increase the aid to needy students and to eliminate the 3 per cent guarantee fee on new loans.

Where have we heard that promise before? A couple of years ago, was the same promise made?

He said:

This was another issue of concern to the Canadian Federation of Students.

I want to assure all honourable senators that under the new financing arrangements needy students will continue to have access to Canada students loans so they can

pursue their post-secondary studies. The government will continue to provide subsidized loans while students are in school and borrowers will have reasonable repayment costs.

This is supposedly part of the new package which is to be introduced. Then he said this:

The legislation establishing the new financing arrangement is expected to be introduced shortly.

Why the unseemly haste to dismantle parts of the program now? What is the rush? Rushing through this incomplete so-called reform in the student loan program is ridiculous. We should simply hoist these proposals and wait until the new package is available for Parliament to study.

I remind honourable senators that Mr. Mazankowski has said that the legislation will be introduced shortly. He also said:

I would like to remind the committee that the opportunity will present itself to debate these and other issues not dealt with in the narrow focus of Bill C-76 when the new legislation is introduced.

Your own minister says Bill C-76 has a narrow focus and the proposals contained therein pertaining to the students are limited, narrow and restricted. Logic leads some of us to the belief that if we are just about to see these great reforms, then we should omit those sections of this bill which pertain to the student loan program. The minister has promised a complete overhaul of the program; yet, in Bill C-76, we have this "piecemeal" approach.

While the 3 per cent tax has yielded \$23.4 million annually, the new tax will yield another \$35 million, totalling approximately \$60 million annual burden on the back of the student. This is another example of the government attacking those who are poor and needy, those required to borrow, rather than addressing the problems of poverty and accessibility to post-secondary education.

It is in that spirit that I propose and move:

THAT Bill C-76 be amended by deleting Clauses 2 and 3 at pages 1 and 2, Clauses 4, 5, 6 and 7 at pages 2 and 3, Clause 8 at pages 4, 5 and 6 and 7, and Clause 9 and 10 at page 7 and 8.

This amendment will delete all clauses dealing with the Canada Student Loans Act. I ask for the support of the right-thinking members of this chamber for this proposal.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?