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# **Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities**

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**Chair**

**Mr. Dean Allison**

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## Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities

Tuesday, May 29, 2007

•(1530)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** Order, please.

Pursuant to the order of reference of Wednesday, November 22, 2006, the committee will now commence a study on Bill C-284, an act to amend the Canada Student Financial Assistance Act.

We'll have two panels. The first one will be Mr. Regan—welcome, Mr. Regan, good to see you back—for 45 minutes, and the second will start at 4:15.

We also have a notice of motion. Mr. Savage, we'll save some time to deal with your motion at end of the meeting.

Mr. Regan, it's all yours. How much time would you like?

**Hon. Geoff Regan (Halifax West, Lib.):** I have a 44-minute speech, so that will leave a minute for questions and answers.

**The Chair:** This committee, as you know, works very well together, so we would be happy to let you speak for 44 minutes.

**Hon. Geoff Regan:** I haven't timed it, but I'm thinking this should take maybe ten minutes.

Mr. Chairman, it is nice to rejoin the committee in a different capacity this time, after an absence since Christmas.

Mr. Chairman, this country's future prosperity and well-being increasingly depend on having a highly skilled, highly trained, and highly innovative workforce. Education, especially post-secondary education, which includes community colleges, is essential to develop the best-trained, highly skilled, and most innovative Canadians. And of course that's something we heard a lot about in this committee last year, during the study of employability and our study of the skills shortage: the importance of developing and continuing to develop a very highly educated and skilled workforce.

Ironically, a new report was put out today by the Canada Millennium Scholarship Foundation. The main conclusion was that federal and provincial tax credits are bad policy that do little to encourage enrolment. When you combine that fact with statistics that recently found that as many as 36% of high school graduates cite financial reasons as a barrier to higher education, you know that something has to change.

I believe that Bill C-284 can be part of that change. I'm now suggesting for one minute that it is the be-all and end-all and that it's

the full package. I think it's one element of what needs to be done, but it can allow more high school graduates to go on to university or community college. It can be meshed with other programs to remove barriers to Canadians from low-income families, disadvantaged groups, the disabled, and new Canadians. It can help us develop a highly skilled, innovative, and knowledgeable workforce.

As members of Parliament, we need to take measures to reduce financial barriers standing in the way of students seeking greater access to post-secondary education, including grant programs, and to offset the high and growing costs of tuition. This bill doesn't require us to invent or reinvent the wheel. It's built on an established program that has been successful. It's a very clear and simple solution that is both easy to administer and avoids jurisdictional negotiations with the various provinces.

Let me give you some of the highlights as I see them.

Bill C-284 expands the Canada access grants, a program that provides financial assistance to students. Currently, access grants are only available for the first and last years of study for those who are from low-income families. This bill would extend the availability of these grants to all years of study for those from low-income families.

The goal of Bill C-284 is to break down barriers to higher education. It also creates a statutory basis for the Canada access grants, making it much more difficult to cancel or change the program in the future. I know there are some concerns about that, and I think there may be an opportunity to provide for regulations to increase the amount and add indexation, for example, and I'm sure we'll hear about that from colleagues.

I'm afraid we have taken a step backwards in the past two budgets in terms of making education the priority that it needs to be for a strong and economically healthy Canada. Today's study on Canada's tuition and education tax credits is clear proof that providing an \$80 tax break on books is not the answer, Mr. Chairman. A cheque that comes next April doesn't help a low-income student get into university and pay the tuition this fall, right? That's the problem. And the move this spring to kill thousands of jobs created out of the summer career placement program was nothing short of a disaster, as I think many colleagues on all sides know. But if we want to invest in our future and our children's future, we need to invest in education at both the university and college levels. Bill C-284 is one way that can be done, and it doesn't require a big, expensive, new administration or long-drawn-out jurisdictional battles with the provinces. It's a very straightforward solution that builds on an existing program and can help remove barriers to higher education.

Thank you, Mr. Chairman.

• (1535)

**The Chair:** Thank you.

Since, Geoff, you're not here for long, why don't we look at two rounds of five minutes each.

Do you want to get started, Mr. Savage?

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Thank you, Chair.

I want to thank my colleague, Mr. Regan.

This is very important. In my view, this is one of the most important things we can do, particularly for students. When I look at the issue of post-secondary education in Canada, I think one can make both an economic case for something like this—an economic case that, for the country, we have to maximize the human potential of all Canadians—and a social justice case for the individual. People need an opportunity to maximize their own skills to better take part in the wealth that is Canada.

Of course, Mr. Regan comes from Nova Scotia, as I do, where we have the distinction of having the highest tuitions in Canada. Tuitions are somewhere in the area of \$6,000, on average. It's higher than that in some jurisdictions. When I graduated from Dalhousie University, my tuition in the last year was \$1,170. Mr. Regan is much older than I am, so I suspect that the tuition was even less when he went, making the gap more significant compared to the current day.

Today we saw the release of information from the Canada Millennium Scholarship Foundation. They talked about how tax credits are criticized and how money is more effective as loans or grants. I think if we're really going to get at the heart of the issue, the issue is how we get people into university or community college—post-secondary education overall—who otherwise wouldn't go.

Tinkering with the tax system helps some students a small amount. It is \$80 on textbooks, but \$80 on a tuition of \$6,000 or \$7,000 is pretty small potatoes.

I wonder if you could just expand a little bit on the benefit of investing directly in needs-based grants as opposed to tax measures.

**Hon. Geoff Regan:** Well, as I was saying earlier, I think the problem with tax credits, as we've seen today in the report from the Canada Millennium Scholarship Foundation, is, in fact, that the person who is trying to go to school in September doesn't get the help they need when they need it to pay their tuition. Getting a tax credit eight months later doesn't do it, especially an \$80 tax credit, which isn't much toward the cost of books these days.

I hope the government will in fact decide that it should move forward. As colleagues will know, the Speaker has ruled that this requires a royal recommendation. There's been no indication from the government that it intends to give that royal recommendation. Still, I'm going to remain hopeful on that and hope the government will change its mind. Because I see this as something that would benefit Canadians. If all parties decided that it makes sense to do it, why not move forward and do it?

Really, in terms of access, it's important. You talked about the cost of education those many, many decades after I was there, and of course after you were there—young fellow. But it is high in Nova Scotia. It's not just a problem in our province; it's all across the country and in many places. Many students face the challenge of paying for tuition. Quebec, for example, has the benefit of having a freeze on tuition. It may still be a challenge for some, but not for others.

Across the country, generally, it remains a big problem. Access doesn't just mean that you put in ramps and so forth for people with disabilities. It also means that you help students who are low-income or who have disabilities to get access and pay the tuition. That's what we're talking about here. I think it's obvious that there's a need for it.

• (1540)

**Mr. Michael Savage:** The former government recognized the importance of the Canada access grants and the great help they have provided to students. But there is a need to expand that. The economic update of 2005 included \$550 million over five years to extend Canada access grants for low-income families to all years of undergraduate education. In essence, it's the proposal you have adopted in this measure.

I think it's really important that we understand that you are trying to do something very specific on what I consider to be the number one issue in the post-secondary environment, which is access.

There are a lot of needs. Universities need infrastructure; universities have deferred maintenance. We need to keep the pressure on research. We made a lot of strides, up until the last government was elected, in terms of research and innovation. The economic update put more in that. We've seen some since then, but not as much.

Access, to me, is the biggest issue. You're not trying to cure all the issues of post-secondary education, as I read this, Mr. Regan. What you're trying to do is say that you think we need to do something to make sure that students from low-income families can get to university. An \$80 tax credit doesn't do it. Making scholarships untaxable is not of any advantage to these people. If we're actually going to move people who can't go to university or community college in there, this is the way to do it. This is a very specific instrument for those people.

Is that a fair assumption?

**Hon. Geoff Regan:** Yes.

You talked about issues like infrastructure. Clearly, that's a problem across the country. We have many buildings at universities that were built back in the sixties, and they're coming to a point now where they're having real problems with those buildings. Or as you say, there's a deferred maintenance problem, because universities have put off doing maintenance. We've seen that a great deal in our part of the country, and I think it's the case across the country.

There are other challenges, obviously, and for all students, not just low-income students. Other students can come out of university with a big debt load. The cost is a real problem. But this bill is seeking to address one aspect, and that is the aspect of low-income students and making it a little easier for those students to ensure that they aren't prevented from getting that post-secondary education because of a lack of income.

**Mr. Michael Savage:** Thank you very much.

I congratulate you on this bill.

**The Chair:** Thank you, Mr. Savage and Mr. Regan.

We're now going to move to our next questioner, Mr. Lessard, for five minutes, please.

[*Translation*]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Thank you, Mr. Chairman.

I would like to greet our colleague, whom I'm pleased to see. We worked together on this committee, and it was very constructive.

Once again, I think the bill before us is very positive, to the extent that it offers support, particularly for students who come from low-income families.

To start with, the Bloc will support this bill. We are aware, of course, that our support stems mainly from the fact that the federal Canada Student Financial Assistance Act contains a provision that allows Quebec to opt out with full compensation. That's what enables us to be free to support this bill. We won't speak much so as to enable our colleagues from the other parties who are more directly involved to do so.

It must be recognized that Bill C-284, like student financial assistance, does not promote the best training as such. In actual fact, the quality of training is not necessarily improved because this is a provincial jurisdiction

We think it is important that federal transfers be increased to enable the provinces to better meet their education obligations. As you will recall, the Council of the Federation made an effort to improve transfers, but it failed in that regard.

Mr. Regan, you were on the government's side for some time. Today, you've taken some distance from the situation. Do you believe that additional efforts should be made to improve federal transfers for education? At the same time, do you believe that part of the problem we are currently encountering, which requires that this type of bill be introduced, stems precisely from the fact that federal transfers have been cut over the years?

• (1545)

**Hon. Geoff Regan:** Thank you for your questions and comments, Mr. Lessard.

I agree with you that quality is not necessarily improved by these measures. Access isn't exactly a question of quality. If this program enables more people to pay university expenses, if more students attend university because there's a little more money to do so, they will attend courses with other students, and that has nothing to do with the quality of education. If I had been completely satisfied with the situation regarding universities and students, I would not have introduced this bill.

I agree that we must still provide assistance to universities, and that is one of the reasons why our government increased payments to the provinces. Is it still necessary to continue increasing those payments? Absolutely.

You referred to the cuts that were made. We've discussed that a number of times in the past. When I was elected for the first time, in 1993, the government was facing a very serious financial situation. The situation was so bad that we had to make changes. As a result of those changes, the economy and the government's financial position vastly improved. Consequently, we were able to spend in order to make improvements. We were able to make payments for drugs, for example, and for other things. We continued paying for education, health and so on. Without those efforts, the Government of Canada would have had a lot of trouble continuing at the same rate.

[*English*]

**The Chair:** Thank you, Mr. Lessard.

Madame Savoie, five minutes, please.

[*Translation*]

**Ms. Denise Savoie (Victoria, NDP):** Thank you.

I very much appreciate the bill that you've tabled. I think we realize, as you mentioned in the report, that there is a serious problem in Canada and that we have to find ways to assist students who are falling into incredible amounts of debt.

[English]

In speaking to some intergovernmental researchers last week who focused on post-secondary education, they mentioned, as you mentioned, the problem that occurred in the nineties when transfers were cut and direct funding assistance was made to parents of students by way of tax credits and so on. I think we've all read *The Globe and Mail* report mentioning that this has led to an inadequate patchwork that has left students and their parents in a real quandary.

In a way, this proposes to help students at the time they need it. I think we're all aware that there are two ways of helping students. That's through grants, at the time they need them, or reduction of student fees, which is not within our purview, except by way of the transfers that my colleague has already alluded to. You also mentioned that this does not attempt to solve all problems for low-income people.

I have a couple of questions. I'm wondering if you are going to consider some amendments. It seems to me that the bill excludes mature students who have been out of school for more than four years. To me, that seems to be problematic. Many of them I've met in my riding, in my office, would fall in that category, but they would be excluded.

It also excludes middle-income students in some parts of the country. Middle income in one part of the country is not middle income in another given other cost-of-living factors such as housing, as it is in British Columbia. So that's a concern. Through an amendment, there would be ways of phasing the grant system to allow students of middle income to benefit from it at some point. That's a question I have.

I guess the other problem is that it excludes students who are financially independent from their families. If the bill you're proposing, rather than being income-based, were needs-based, as the report you referred to suggested, this might alleviate that problem.

I guess those are three questions. I have a couple of others, but we'll see if I have time.

• (1550)

**The Chair:** You've have a minute and a half, Geoff.

**Hon. Geoff Regan:** Thank you, Mr. Chairman.

First of all, it's kind of funny when you say "what I consider amendments". Clearly the bill is in the hands of the committee. As a private member, I'm at the disposal of the committee in terms of what it does with this bill.

Last night I was going over the second reading debate comments. I read your comments about needs-based. Were you talking about the fact that there's a different cost of living in different places, for example? Is that what you were meaning, or was it something else? I'd like to talk more about that and hear your thoughts on that.

**Ms. Denise Savoie:** Okay.

**Hon. Geoff Regan:** Dealing with mature students is of interest.... I think we also have to consider the cost of all these things. That's something for the government to look at. I want this to have the maximum chance of being adopted to start with, to make this one

step. I don't personally feel we should exclude mature students, but I'm also anxious that we do something that might actually be adopted.

In terms of middle-income students, should we have programs that help all students? Absolutely. Again, this bill is addressed to low-income students. That's the intent here.

I think that answers the main questions.

With respect to financially independent students, I'd also like to discuss with you how that works at the moment, how they're excluded, and at what point they are considered on their own income. At some point it seems to me that they are considered on their own income and not on their parents' income.

The problem is this. If you have a young person who's saying they're financially independent when in fact they can get assistance from their parents and their parents are very well off, then you shouldn't be giving them help when somebody really needs it. To me, the key is to get this to the people who need it the most. If you can find a way to identify those who won't get that kind of assistance and make sure you identify the right people, why not?

**Ms. Denise Savoie:** Well, I was thinking—

**The Chair:** That's all the time we have; in fact we're over time. You'll have to get in on the next round.

We're going to move to the last round.

Ms. Yelich, for five minutes.

**Mrs. Lynne Yelich (Blackstrap, CPC):** I'll be sharing my time with Patrick.

You mentioned the millennium report. I just want to mention that Statistics Canada recently released a report stating that financial constraints were not the major reason why youths from low-income families do not attend university.

You also talked about the investments in education. I want to say that, yes, we do think it is important, and the tax credits are important because they're part of the big picture. We have a bigger picture, I think, than you have, with \$5.4 billion annually to support the students. We believe eliminating the federal tax on the scholarships and bursaries was a very important aspect of it, this year particularly.

When you want to talk about lower-income people or people who don't have access to university, some of the immigrants who have moved into my city have been able to access grants and were very happy to be able to get scholarships. It can indeed help even those who perhaps don't have a lot of money.

We expanded the eligibility for the Canada student loans and reduced the expected parental contributions. We did put \$5 billion into research grants and loans for students, and provided \$2 billion through grants, scholarships, and bursaries. We also provided apprenticeship incentives. I think we were looking at the big picture.

Of course, this is just another need; as Ms. Savoie said, maybe you're missing the middle class as well, or some of the people who maybe can take advantage of that. I think even those in the lower income will take advantage of those costs. My daughter went to university, and I think she would appreciate it. It's something that I think maybe you should have considered.

You also said that you were here when this legislation started, and you know it's good. How do you know it's good? How do you know it's successful? It's only going into its second year. There's no analysis.

The reason I'm asking is that I did meet with the department, as I think you did as well. I asked the department what they thought was the measurement of success here. With these grants, do we know that young people are accessing university because of it, and if they are, are they completing university or are they completing the first year? Is this what they need? Do you have any measurement of success?

Most programs in a prudent government would do that, would want to know how successful these programs are, or if we should perhaps look at it another way to have young people or lower-income people and families access these grants.

● (1555)

**Hon. Geoff Regan:** Mr. Chairman, through you to Ms. Yelich, I've certainly heard from student groups and from students who have benefited from this program and speak very highly of it and are strongly in favour of it.

You know, it's a new program, so I'm not surprised to hear that the department doesn't have a full analysis yet. But I don't think you're suggesting it's not a good program.

**Mrs. Lynne Yelich:** No, I'm not, because the other suggestion was why don't we leave it in regulations. That way it's flexible. If it's not put it into legislation, we have the flexibility to make changes easily. With legislation, those changes could not be made easily.

I just think that's wise advice if you're doing prudent governing.

**Hon. Geoff Regan:** First of all, I think it makes sense to put the basic program into legislation, to enshrine it and give it some kind of permanence. However, the criticism that you need to have the ability to make regulations to set what the amounts are, in order to be able to increase the amounts, to me makes sense. I'd certainly be open to that kind of change.

But I still think that putting the basic program into legislation, giving it a statutory base, is a good idea so that government can't decide, willy-nilly, they're going to cancel this now, and stop the program.

**Mrs. Lynne Yelich:** The provinces too had some issues with delivering. I'm told that not all of them are in a position to administer the grants. I'm wondering if you have any comments on that. Isn't that something that would have to be considered?

**Hon. Geoff Regan:** My impression is that most provinces are able to do that. Surely the government could work with them to work out those problems.

**The Chair:** You have 15 seconds left, Ms. Yelich. Don't worry, we'll tag them onto your next one.

Ms. Dhalla, five minutes, please.

**Ms. Ruby Dhalla (Brampton—Springdale, Lib.):** Thank you very much, Mr. Regan, for appearing. I think the issue you're speaking about impacts many individuals and in particular students from across the country.

I think when we talk about education and students having the opportunity to participate in education it really gives them an opportunity for economic freedom and really opens up so many doors for them, and especially I think students who have unfortunately been the victims, for a variety of different reasons, of being from low-income families. I think that education is so important for them for their future. And I think that we, in our country, need to invest in our students, we need to invest in our children, to ensure that for those who want to, who have the grades, they get to go to school and get to go to university and have the opportunity to further themselves.

I know that within the previous election we Liberals had spoken about expanding the Canada access grant program to all four years of study, versus what had existed in terms of the first and the last year. Have you done any type of research in terms of the limitation this imposed on students?

● (1600)

**Hon. Geoff Regan:** No. I think it's fairly obvious. The idea, obviously, as it started, was with a certain amount of money to say we can afford this much for now, and if we can do the first and last years then it creates an incentive to start and an incentive to finish. And that's a good thing, no question, as a starting program. However, if you can provide it for all four years, if the person doesn't finish the first year and then finds they can't afford to do it the second year... I look forward to seeing research on this in due course. We hear the department talking about maybe having some come out eventually, but I think the benefits are fairly obvious and I'll look forward to seeing the data in due course.

**Ms. Ruby Dhalla:** I'm sure you've heard this frustration from many of the students as well with regard to providing tax credits to students when tuition rates are rapidly rising across the country. I know for some of the undergraduate programs and for medical school they're upwards of \$5,000, \$10,000, to \$15,000 a year. Having a tax credit given to them, like the \$80, may in some way be helpful, but it's such a small portion of it. We need to look at programs like this in terms of expansion. Could you perhaps comment and provide the committee with information with regard to the benefit of an access grants program that would provide the opportunity for accessibility, versus a tax credit being given?

**Hon. Geoff Regan:** The \$80 tax credit, as you say, helps students pay for their books, except that it doesn't help them pay for their books when they're buying them. It helps them eight months later, when they get the tax credit. Maybe if they're still there the next year it helps them a little bit to buy the following year's books, perhaps. I think they need the money up front when they're going in the fall. They need the help then with their tuition, with their books, and their various other costs. That's the challenge this bill is trying to address.

**Ms. Ruby Dhalla:** It think it's excellent that you're reaching out to the vulnerable and you're reaching out to students from low-income families and also those with disabilities. I think programs like this are going to provide an opportunity for students to ensure that they have the grades and that they can fulfil their potential and realize their dreams.

**Hon. Geoff Regan:** I think that's a very insightful comment, Mr. Chair.

**The Chair:** Thank you.

Mr. Lessard, five minutes please.

[Translation]

**Mr. Yves Lessard:** Thank you, Mr. Chairman.

Sometimes consideration of certain bills enables us to get a clear grasp of the philosophy that moves us with regard to the major social programs. It seems to me this is an opportunity for that.

I'm going to respond to the remarks by Ms. Yelich, who wonders whether Quebec and the other provinces do a good job of administering the funds when transfers are made. Moreover, the Conservative government ventured to speak a little on this entire issue of training as such, saying that it was going to examine the possibility of making the transfer. I would like to hear what you have to say on that subject.

Would it not be preferable for everything that constitutes the value of the tax points allocated to training to be transferred directly to Quebec and to the provinces so that they can take full charge of their responsibilities?

**Hon. Geoff Regan:** I think this program sets an example of flexible federalism. Quebec, for example, has decided not to allow universities and colleges to increase their admission fees. This happens elsewhere as well, from time to time, but it's mainly in Quebec. Fees have increased sharply elsewhere in the country.

This program makes it possible to respond nationally to a significant need, the need for a well-educated, skilled labour force, while dealing with the specific characteristics of certain provinces. The position with regard to Quebec is to give it money, taking it for granted that its situation is different. Quebec can use it to improve university infrastructures, for example.

Did I miss something?

•(1605)

**Mr. Yves Lessard:** No, you've clearly grasped the idea. I think we see eye to eye.

I'd like us to take a closer look at your reasoning. I'm not attributing any bad intentions to you, but isn't there something paternalistic about this form of management? The provinces are

recognized as having full responsibility in this area, and they are given the means to take full charge of that responsibility. So they have to discharge that responsibility.

Instead of monitoring twice as much, as is currently being done, wouldn't it be preferable for each of the provinces to shoulder that responsibility and to be fully accountable to their population?

**Hon. Geoff Regan:** Mr. Chairman, that concept, in a way, denies the fact that there is a national economy, that Canada as a whole has economic needs and that the government has to meet those needs from time to time. There is an obvious link between education and the economy. In this committee, we've clearly seen that, in a number of sectors, we will soon be facing a labour shortage, with some people having specific skills and others having completed advanced studies in specific fields. This shortage affects the entire country, as well as its economy. We are going to need an integrated solution.

I think the federal government has a role to play. It will no doubt have to work together with the provinces. As part of this program, the federal government has consulted them and, of course, consulted students across the country. The idea is to combine our efforts in order to accomplish something important for the country, the economy, students, universities and colleges.

[English]

**The Chair:** Thank you. That's all the time we have.

We're going to move to Madame Savoie for five minutes.

[Translation]

**Ms. Denise Savoie:** Thank you, Mr. Chairman.

In the study on employability that we've begun, we've heard a lot about barriers that adults and youths face when they try to get the training they needed to find a job. I'd like to go back to the idea that I wanted to propose, that the bill be based on the needs of the student, rather than an arbitrary income threshold.

[English]

I believe at the moment the grant can go only to students from low-income families, as defined by the national child benefit supplement. So I think it would be important to extend that.

You wanted an explanation of what I meant by needs-based rather than income-based. It's in the same way that the Millennium Scholarship Fund has extended its grants to a needs base.

For example, if you take two young people, for the one who lives with his or her parents in a town where there is a university, the costs are going to be very different from those of the young person from northern Ontario who has to go to university. So you would assess those costs based on needs rather than on the income of the parents. Both of those students could come from families with the same income, but one would face considerably higher barriers to education.

I felt that by making it needs-based—as I believe the millennium fund has done—rather than income-based, it would eliminate one of those barriers.

Perhaps you could answer that.

•(1610)

**Hon. Geoff Regan:** Mr. Chair, through you—

**Ms. Denise Savoie:** Could you see any problem with...?

**Hon. Geoff Regan:** I'm interested in this discussion. Clearly, you want to assist those who need it most, and you want to do it in a way that's fair. Yet you also want to do it in a way that's simple. In other words, you want to keep the administrative costs and the complexities of it as low as possible. One of the advantages of the present system is that it is tied to an existing measure that's very straightforward and simple.

It strikes me as well that you'll have cases where two kids from the same community may go to different universities, may go away somewhere to university. Now, that's harder and harder if you're low-income, clearly. But if one's going to Carleton and the other is going to a smaller town, let's say Antigonish, Nova Scotia—my alma mater, St. Francis Xavier—those two are facing very different costs, even though their families, with the needs-based assessment you're talking about, would warrant the same benefits, the same grants.

Maybe there's a way to work this out that makes sense.

**Ms. Denise Savoie:** I think the student loans have found ways of assessing need rather than income. There are fairly simple measures that can be adopted to avoid getting into too many complications around that.

Just quickly, I think there was a reference to the fact that in studies, finances were only one factor that students identified. I think Ms. Yelich mentioned that. But I've seen that study, and the number was significant. It was in the high thirties, or 35%, which is almost the percentage of voters who elected the Conservative government. That's a sizeable percentage of the population. And we know from the employability study that we can't afford to leave 35% of our young people behind if we want to keep our competitiveness as a country and allow them to participate in it.

I would say that we have to use every means we can to give students not just the incentive.... And that was maybe a wording thing. This bill suggested providing an incentive to students from low-income families. I would have liked to hear "assist" students, to actually assist them. That is one of the issues, I think, that this significant portion is saying, that they can't do post-secondary because they can't afford it, or that debt load is too frightening.

Incidentally, I just want to add that I'm hearing from parents who are remortgaging their homes to help their students. That isn't appearing in the statistics we're looking at. And that's a consideration for people of a certain age.

**The Chair:** Thank you.

Just a quick response.

**Hon. Geoff Regan:** Mr. Chair, I have one daughter in university now, another daughter who will be going in a year or so, and a son who's a fair bit younger. None of us in this room is in the low-income category, but many of us would be concerned about all these costs, because they can be quite considerable. You can only imagine how a low-income family would feel when faced with that kind of challenge. It would look like an insurmountable mountain.

**The Chair:** Thank you very much.

We're now going to move to the last questioner.

Mr. Brown, you have five minutes.

**Mr. Patrick Brown (Barrie, CPC):** Thank you, Mr. Allison.

I'll be sharing my time with Mr. Chong. I'd suggest that I go through my series of questions, and then Mr. Chong can go through his series of questions. You can then respond to both of us at the end.

I was a little surprised to see this bill put forward, given what we saw happen during the Liberal tenure in office. Tuition increased over 13 years, access shrank as capacity decreased, and cuts rose.

I was a little perplexed to see it brought forth by a Liberal member, especially when the member voted against the recent budget increases for university infrastructure, which added \$800 million in money for universities and a \$39 billion increase for the Canadian social transfer.

We already heard my colleague, Ms. Yelich, speak of the \$5.4 billion annually in support for students.

In terms of this particular proposal, I want to know what additional information you could provide in terms of the completion rate for students who use these grants, the percentage of grants given out to students who would otherwise not have gone to university, and the percentage given to students who would go if they did not receive these grants.

The final note I want you to comment on is this. I think we're going to hear from Canadian Federation of Students later today. As I understand it, they have suggested in the past that increases in grants could result in the provinces clawing back the amount by raising tuition fees to meet the shortfalls created by the \$25 billion that was cut by the previous Liberal government, of which, if I recall, you were a minister.

My concern on that front is this. A few weeks ago this committee met over Bill C-303. Your colleagues expressed concern that the provinces could potentially claw back child care money. We already saw Dalton McGuinty do it in Ontario, where the budget only allotted \$25 million of the \$97.5 million that was allotted to them.

Three weeks ago your colleagues expressed concern over the provinces clawing back. Right now we're presented with the picture that the same expectation doesn't exist on the proposal you're putting forward. Was there a side conversation you'd had with the provinces that would give you that impression?

I think the concern we've heard from student unions and the Canadian Federation of Students is a real one. Education was radically attacked during the previous Liberal government. It's a possibility that the provinces could use these funds and say it's to make up for the money the Liberals cut. It's a valid concern.

I'll let Mr. Chong ask his questions.

•(1615)

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Thank you, Patrick.

Thank you, Mr. Chair.

I'm a little surprised with the intent of this bill and frankly with the critique of utilizing tax expenditures such as tax credits as a way to improve access for students.

With the exception of Mr. Merasty, all the Liberal members on this committee were members of the previous government. In the mid-1990s, they dramatically reduced the Canada health and social transfer, which was the transfer that was utilized to assist universities and colleges throughout Canada. It had a direct impact on provincially regulated tuition rates throughout the country. As a result, tuition in the mid-1990s started to skyrocket.

We understand why those cuts were made to the CHST. It was part of an effort to attack the deficit, and that's understandable. But in the late 1990s and in the early years of this century, when finances improved so that the government had surpluses to invest and to improve access, it chose not to improve it through direct financial assistance to students. It instead chose to do it through tax expenditures.

As a matter of fact, between 1996 and 2005, which was the tenure of your previous government, tax expenditures rose from approximately \$500 million a year to almost \$1.5 billion a year. It was an increase of close to 200%.

The method you used to restore some of the cuts you had made in the 1990s was not direct financial assistance and was not improving programs such as the Canada access grants, but rather it was the utilization of instruments such as tax credits, tax deferrals, tax deductions, and the like. It was the primary method through which your government improved access for students.

You have now come in front of our committee only 18 months after having left government. To ridicule the use of tax credits, tax deductions, tax deferrals, and the like as a method to improve access, in my view, is a little hypocritical.

That's the point I'd make, Mr. Chair, to the members on this committee and to the witness.

**The Chair:** Mr. Regan, we have five minutes of questions there. I'm not going to give you five minutes to answer all of them. I probably should, but why don't you go ahead and start?

**Hon. Geoff Regan:** I'll probably need about ten minutes, because there were a lot of questions.

Mr. Brown asked about 10 or 15 questions, and he's aware of the earlier conversation I had with Ms. Yelich, in which we talked about the data that the department doesn't have at the moment on these things. I guess what's interesting to me is that the Conservative side here doesn't want to talk about this bill itself and what it might do and its benefits. It wants to talk about the 12 years and two months the Liberal government was in power.

Frankly, when we arrived in government, we had a \$42 billion deficit left by the previous Conservative government, and in 1995,

when the budget was brought forward to make the reductions that helped to balance our books in this country, what did the Conservative Party do? It said the cuts weren't enough, and it voted for a motion that called for greater and deeper cuts to all of these things, including transfers to the provinces. That's what the Conservatives voted for in the House of Commons. Maybe you don't know that. I was here; I saw it. So I think it's a bit hypocritical to come here and suggest otherwise.

In terms of the provinces' clawing back, I think there are two things. First of all, you have to work with the provinces on that and work out an agreement with them not to do that sort of thing. But secondly, that is more of a concern when you have a broad program that applies to everyone, whereas when you have a more narrow program like this, which applies only to low-income people, I think it's much less likely to happen. But it's still worthwhile working it out with the provinces to ensure that doesn't happen. There were certainly large increases in transfers to the provinces when I was a minister in our government, and over the past six or seven years large increases were given to the provinces for health care and other matters because of the fact we put our country in a better situation fiscally and were able to afford to pay for those things.

•(1620)

**The Chair:** Thank you. And thank you for answering all those questions as quickly as you could.

We're going to wrap this section up. We want to thank the three of you for coming in and speaking to the bill. We're going to take just a couple of minutes to transfer over, and then we're going to invite our second set of witnesses to show up, from the Canadian Federation of Students as well as Scott Gorry.

Thank you very much for being here, again.

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\_\_\_\_\_ (Pause) \_\_\_\_\_

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**The Chair:** Okay, we're going to start with the second part of our questioning.

I want to thank Amanda Aziz, the national chairperson with the Canadian Federation of Students, for being here. Amanda, thank you very much for taking the time to be here today.

We want to thank also Scott Gorry, who is here as an individual. I believe, Scott, you go to Carleton University.

**Mr. Scott Gorry (Student, As an Individual):** Yes, I'll be going there in the fall.

**The Chair:** Great.

Welcome both of you. I believe you both have opening statements. If you could try to keep them under seven minutes, then we'll get right to our questions.

Go ahead, Amanda.

**Ms. Amanda Aziz (National Chairperson, Canadian Federation of Students):** Good afternoon. Thanks very much.

I'd like to thank the committee for inviting me here this afternoon to present on behalf of the over a half million members who comprise the Canadian Federation of Students, at over 80 student unions across the country.

My comments today will be focused on the importance of non-repayable student financial assistance, particularly as upfront assistance rather than back-end measures.

The Canadian Federation of Students supports Bill C-284 in its efforts to expand the financial assistance provided to students through Canada access grants. However, we also recognize that more efforts are necessary to ensure that all Canadians have access to high-quality post-secondary education.

Today's accessibility gap in Canada's universities and colleges is driven by the high cost of post-secondary education. The defining difference between those who have access to post-secondary education and those who are forced into low-paying, low-skilled work is financial resources.

• (1625)

**The Chair:** Hold on one second.

[Translation]

**Ms. France Bonsant (Compton—Stanstead, BQ):** Could you ask him to speak more slowly? The interpreters can't follow.

[English]

**The Chair:** Okay.

It's tough when we only give you seven minutes to fit fifteen minutes in. That's not very fair.

**Ms. Amanda Aziz:** I've got to fit it in in seven minutes.

So over 350,000 students in Canada are forced to borrow to finance their education every year. Depending on the province, average student debt for a four-year program ranges from \$25,000 to \$28,000 per student. Upfront financial barriers, namely tuition fees and other costs associated with pursuing a post-secondary education, have created a profound participation gap among Canadian families. Statistics Canada calculates that students from high-income families are more than twice as likely to attend as those from low-income families.

Although post-secondary education remains a provincial jurisdiction, the federal government has a role to play in providing high-quality education to Canadians. From our perspective, one such role is providing the funding needed through transfer payments, with an emphasis on controlling the costs of post-secondary education, which is obviously of great concern lately. An equally important role is the provision of needs-based financial assistance through non-repayable grants.

Canada remains one of about two industrialized countries without a national system of needs-based grants. Despite the millions of dollars spent each year by the federal government on a patchwork of student aid programs, the failure of federal initiatives to improve

access to post-secondary education can be traced back to a clearer vision for student financial assistance.

Although not to be confused with a comprehensive national system of needs-based grants, Bill C-284 has the potential to ensure that more students in need of financial assistance are able to receive it. When the Canada access grants were initially announced, the Canadian Federation of Students advocated for the grants to be expanded to all years of study, as this bill is proposing.

I want to be clear that grants alone are not enough to ensure that low-income students have access to post-secondary education. The fact that education costs continue to rise means that any level of grant will be devalued with each subsequent increase in cost. In addition to grant moneys, it's vitally important that the federal government provide adequate funding for post-secondary education, with a special emphasis on controlling the costs of tuition fees.

The lack of measures to ensure Canadians do not face barriers to participation in post-secondary education will have an effect on the economy and social well-being of the country. Post-secondary education is an issue that must transcend partisan lines, and I hope that all members of this committee realize the important role the federal government must play in ensuring high-quality, accessible post-secondary education.

As I've already stated, the federal government currently provides a patchwork of funding to students and their families through existing aid programs, many of which are inadequate and not helping those who need assistance the most. For the record, the Canadian Federation of Students does not consider savings programs, or education, tuition, textbook, or otherwise tax credits, adequate student financial assistance. Low-income students will not benefit from non-refundable tax credits, nor can they afford to participate in federal savings plans meant for their benefit.

Moreover, since everyone who participates in post-secondary education qualifies for tax credits, regardless of financial need, the federal government is focusing on directing public funding, where it is not necessarily improving access for students who cannot afford high tuition fees.

For example, the average annual income of families making use of federal education tax credits and the registered education savings plan is over \$70,000. In their first year, the Canada access grants were awarded to over 30,000 students, costing almost \$52.6 million. In that same year, \$462 million was paid by the federal government as matching grants to the Canadian education savings grant, to children whose families are investing in RESPs.

The expenditure made on tax credits and savings programs, if offered as upfront grants, could deliver significant financial assistance to students with the greatest financial need. For example, if every Canada student loan recipient received a \$3,000 grant, the cost would be approximately \$1.13 billion per year. In other words, if the amount the federal government currently spends on the tuition fee and education tax credit, estimated to be about \$1.15 billion per year, were simply shifted to a front-end grant, access could be improved dramatically.

Providing student financial assistance through upfront, non-repayable grants is the most effective means to get student aid in the hands of students at the time when it is most needed, when large costs are being incurred, at the time of tuition fee deadlines. After-the-fact tax credits do nothing to improve access to post-secondary education.

I understand there has been some concern raised by members of Parliament as to whether or not this is the appropriate time to be debating such a bill, given the relative newness of Canada access grants. I just want to assure the committee that the measures in Bill C-284 in fact are long overdue and there's plenty of research out there that concludes that upfront financial assistance is the most effective aid measure to improve access to post-secondary education.

In closing, I just want to say that on behalf of the Canadian Federation of Students, we're pleased to see this bill before the House and this committee, and we hope that all members recognize the difficulties facing students these days, in particular, students from low-income and middle-income backgrounds, aboriginal students, students with disabilities, and other minority groups in Canada.

• (1630)

As I've already stated, of course any amount of student financial assistance can become obsolete if the cost of post-secondary education continues to rise, but given that the cost of education continues to be a barrier for many Canadians today, if passed, we believe that Bill C-284 could go a long way in helping many new and continuing students attain a post-secondary education.

I want to thank the committee again for having us here today, and I look forward to some debate and discussion.

**The Chair:** Amanda, thank you once again for being here today.

We're going to hear from Scott before we start our questioning. Scott, you have seven minutes, sir.

**Mr. Scott Gorry:** I'm not sure that I'll require all seven minutes. I think most of the points have been touched on.

I am a mature student, and coming back to school, I had the opportunity to speak to you today. It was one that I couldn't pass up. The bill in front of us has highlighted many of my frustrations. Specifically, it's a band-aid approach to fixing the post-secondary education system. I think we need to take a better approach moving forward and we need to take a national approach at it. We need to take a look at putting a solution together that includes one for all prospective students, not just specific groups.

I know for myself, looking at the cost of tuition and looking at the cost of books and looking at the cost of having to pay rent, as a mature student, it's frightening. If you look at spending that was

introduced in the 2004 budget, it has made the potential for debt even higher. I took a stat from Amanda's website, from the Canadian Student Federation, where they're looking at by 2009, the debt load is going to be upwards, on average, of \$30,000 per student.

However, I was happy to see in the 2007 budget that there was an increase in investment. There was a plan that looked like it was going forward to build a broad-based focus instead of just putting band-aids here and there and trying to fix things. And I think that the problem with this bill is that it specifically looks at two groups. It doesn't take into account mature students. It doesn't take into account middle-class students.

When my sister was going to school, my sister was denied student funding because my parents made \$40,000 a year each. Well, as a combined household income, that's \$80,000. My parents had a mortgage of \$1,000 a month. When you tack in all the bills, you're escaping that middle class, and you're focusing on two specific areas here instead of putting a plan.

And it's typical of in-the-box thinking that has come from the last 13 years of government. If you look at it, when those cuts that other members have been talking about, the transfer cuts that have been passed down to the provinces, they've resulted in service cuts from universities. They've also resulted in tuition increases. And it has been clear that most provinces have stated that they can't handle the capacity to increase the Canada access grant program. They're not in a position at this time.

You look at how many other services that are being downloaded to provinces and the provinces have downloaded to municipalities, it just adds to the enormous amount of strain that's going to be provided in the near future.

I also think it's a lack of concern regarding the position for the provinces. The program is two years old and you want to move forward with expanding a program, and we're not even sure if the program works properly. Member Brown and the Honourable Mr. Chong had asked questions regarding where things stand with this program, and the answers were not there. So how can you move forward on an expansion of the bill when there isn't any information provided by it?

I think you need to take accountability with this in all levels. You need to take accountability spending-wise. We don't need to be spending irresponsibly, but we also need to take into consideration all students instead of just specifically looking at one piece or two pieces, put a plan together.

I've sat here today and I've listened to quite a bit of banter back and forth, and I'm sure I have quite a bit of a differing opinion from some members.

•(1635)

It was highlighted that all members need to come together to make this work, and I think that's where this bill fails. It's not bringing all parties together. It's bringing one person's and one former government's ideas together to try to push their agenda through. If it was such an important agenda for the previous government, they had 13 years to push it through; why didn't they do it then? Why didn't a plan come up in those years to build a foundation for today, so that going forward all students would have the opportunity to receive an education at the post-secondary level?

In my view, it seems as though this is a band-aid bill that focuses on separating the policy into individual groups. It's counter-productive. It's typical in-the-box thinking, which has been constant. Real investment is needed, and I believe that a national focus is the best strategy to fix the problem.

**The Chair:** Scott, you have one minute, sir.

**Mr. Scott Gorry:** I think I've highlighted most of the points I wanted to talk about. We need to focus on all students, and I think this bill lacks that focus.

Thank you.

**The Chair:** Thank you, Scott.

We're now going to try to do the same thing as last time: two rounds of five minutes each.

We're going to start with Mr. Savage for five minutes, please.

**Mr. Michael Savage:** Thank you, Chair.

I want to thank the witnesses for taking time today to come to talk about this bill. I haven't met you before, Scott, but I've met Amanda on a number of occasions. It's always worthwhile to spend time with the Canadian Federation of Students, who I agree with on almost all issues, but not necessarily on all. I know the work they do.

Today there was a report that you may have seen, Ms. Aziz, in *The Globe and Mail* that the Millennium Scholarship Foundation put out, referring to the fact that the solution isn't playing with the tax system but making direct investment in students. Is this an occasion where you once again agree with the Millennium Scholarship Foundation?

**Ms. Amanda Aziz:** "Once again" might be too many times, but certainly we agree with the assessment that tax credits and after-the-fact tax breaks for students are not the means to provide student financial assistance. As I said, most students aren't benefiting from the tax credits. In fact a lot of students, not even realizing that these tax credits are available for them once they start making income are simply transferring these tax credits to their parents. They don't make enough money that they're paying taxes, so these tax credits are not benefiting them.

If we're talking about how to ensure that more Canadian students are able to participate in post-secondary education, the real concern is when you are paying your tuition fees, when you are paying the bills, not when you have gone through your year of university and are filing your income taxes. It's nice to get a cheque at the end of the year, but the concern is assistance up front and not back-end assistance. So we definitely agreed with that assessment this morning, for sure.

**Mr. Michael Savage:** Not all students would actually benefit from a tax break at all—is that correct?

**Ms. Amanda Aziz:** Yes, absolutely. Most students in fact don't make enough money to be paying taxes.

**Mr. Michael Savage:** One of the things that Michael Ignatieff has said on a number of occasions, and I agree, is that it's a bit of a goal. If you have the marks, you get to go; this shouldn't be the discriminating factor. To me that makes a lot of sense.

Scott, concerning this being a band-aid approach, in a lot of cases private members' bills are not meant to solve an entire federal issue. They're meant to go specifically and are targeted to fixing problems that exist. I think we need to keep that in mind with Bill C-284. If you want to go broader, then we could go broader. The government could introduce, for example, the 50-50 plan we advocated in the last election, which means that all students would have gotten half of their tuition in their first and last year paid for, which is significant especially in a province like Nova Scotia, with high tuitions.

But this is specifically targeted at low-income Canadians and persons with disabilities. Quite often the two are the same. The third group that I think we all would recognize are under-represented are aboriginal Canadians. We need to do something about that situation as well, but this is a specifically targeted measure in a program that exists.

I'd like to ask you, Amanda, to talk.... You talked anecdotally about evidence that Canada access grants, though young, work. Do you have anything else on this program that you can tell us?

•(1640)

**Ms. Amanda Aziz:** The point I was trying to make was that up-front student financial assistance is the most effective measure for student financial aid. From our perspective a broad-based system is absolutely necessary, and currently what exists in the country is not a national system of needs-based grounds; we do not have a comprehensive system of financial assistance.

However, the Canada access grants, when introduced, were certainly a measure we supported in terms of the way they were structured within the government coffers rather than in this private foundation that had been set up on the past. Certainly on this idea that there needs to be some consistent financial assistance to students who are wanting to participate in post-secondary education, that assistance needs to be up front, not as a back-end measure.

I don't have specific numbers now, but I think some members alluded earlier to the fact that study after study commissioned by Statistics Canada shows when youth identify barriers to post-secondary education, financial barriers are among the top barriers that they identify, so certainly there needs to be something done at the time that students are paying for their education and paying for their costs to learn.

By no means is this a perfect solution for students who need assistance, but at least it's a measure in the interim when this committee needs to be discussing a broad-based system of national financial assistance.

**Mr. Michael Savage:** We can go back and forth in terms of the cuts to the CHST that happened in the 1990s. I think Mr. Chong actually laid it out pretty fairly that in fact the government had to deal with those cuts; when they dealt with the cuts, they then reinvested. I disagree a little bit with him because the millennium scholarships came about then, and we invested in learning bonds and things like that, but there was unquestionably some work on the tax side. I do believe that direct investment in needs-based grants should be the number one priority of the government.

I have a last short question.

Scott, I assume you are opposed to Bill C-284.

Amanda, as it is, do you support Bill C-284?

**Ms. Amanda Aziz:** Yes, I do support the expansion of the grants program.

**The Chair:** Thank you very much.

**Mr. Scott Gorry:** I don't support the bill on its merits.

**The Chair:** Thank you.

We will move to Mr. Lessard for five minutes, please.

[*Translation*]

**Mr. Yves Lessard:** Thank you, Mr. Chairman.

I also want to thank our guests for agreeing to give us their opinions on this bill.

My question is more particularly for you, Ms. Aziz, because you seem to have considered the entire question of transfer payments. You also seem to be of the view that the foundation must be expanded with regard, if I understood correctly, to Canada's responsibility for postsecondary education. I find that quite hard to understand, since the Canadian government had a fairly significant responsibility in training, but cut transfer payments starting in 1996, which undermined the budgets of the provinces and triggered cuts in those provinces. We now find ourselves with what Scott Gorry earlier called a band-aid approach, and that is what we are resorting to in an attempt to offset measures taken in the past.

Our thinking is as follows: since responsibility falls to the provinces, all the budgets should fall to them as well. What do you think about the fact that, in financial terms, we are finding ourselves with two stakeholders as regards training, whereas primary responsibility belongs to one of those two stakeholders?

[*English*]

**Ms. Amanda Aziz:** I think you've raised a very good point in terms of where the responsibility lies. Certainly we understand that post-secondary education is a provincial jurisdiction. Education in general has been left up to the provinces, but historically the federal government has always played a role in post-secondary education, much like it has in health care. From our perspective, the federal government needs to be providing some leadership on post-secondary education, but obviously not encroaching on provincial jurisdiction in terms of very specific things related to the provision of education within the provinces.

But you do talk about the idea that the government has a broad responsibility for education. From our perspective, the federal government has two very important roles to play. The first is an increase in funding, the funding for programs that exist provincially through transfer payments. The second is through the provision of student financial assistance. We think those are two areas where the federal government can and should be playing a very large role. Those are two areas that I believe do not encroach on provincial jurisdiction. In fact, both of these areas are where provincial departments of education have said they need more funding from the federal government, and we'd like to see more assistance for students at the federal level. Although it is a provincial jurisdiction, I think the federal government has historically provided funding for post-secondary education.

If we compare it to health care and the idea that health care obviously is a provincial jurisdiction, the federal government plays a large role in the provision of health care, ensuring that Canadians have access to a quality system. The same thing needs to happen in post-secondary education.

I agree with Scott that at this point there is a patchwork of assistance. There is no focus or vision for post-secondary education coming out at the federal level and that's what needs to happen.

I only spoke to this bill because this bill is what is being debated and discussed here, but just as important as this bill on student financial assistance is this idea that there needs to be a reinvestment in post-secondary education and in fact a vision for post-secondary education in this country.

● (1645)

[*Translation*]

**Mr. Yves Lessard:** Don't you think that's an anachronism? I think you were here when Mr. Regan answered my question about manpower training. It was said that an overview might enable us to constitute a labour force that could meet the needs of Canada as a whole. However, as regards employability, we know that everything, or virtually everything, has to be done over, precisely because there is a division of responsibility in this area. I would like to understand why this anachronism exists. You seem to be in favour of that way of doing things.

[*English*]

**The Chair:** Just a quick response, because we're out of time. Go ahead.

**Ms. Amanda Aziz:** In terms of the idea of sharing responsibilities, I absolutely do favour the idea that there needs to be a sharing of responsibilities, especially for something as important as post-secondary education, which does affect all of Canada's economy. Obviously, there are different implications for trained skilled workers in different provinces, but overall the necessity for a skilled and educated populace is a concern for the entire country, not just for specific provinces. There needs to be a shared responsibility. And I think that until this point there has been a shared responsibility, but it just hasn't been as strong as it needs to be from the federal government's perspective.

**The Chair:** Thank you very much.

We're going to move to Madame Savoie for five minutes, please.

**Ms. Denise Savoie:** I think certainly our young people's ability to compete worldwide in this knowledge economy is a matter of national interest, and I would agree very strongly that the federal government has a role to play in matters of national interest. There is a need for a broader debate. As Paul Cappon mentioned here, and at different times, there is no vision for post-secondary education in Canada and there are no criteria for success. This is where the federal government could be playing a role and is not and has not in the past.

You're supporting this for the reason you've stated very clearly—it helps students. As limited as it is in some areas, and I think I've indicated some areas and would agree—it excludes mature students, it excludes students who switch programs, it excludes independent students, it excludes a bunch of people—but it does do one thing: it provides help at the time the student needs it.

I'm wondering, what has to happen to move from access grants as they currently are to a comprehensive grant system? From what I'm hearing from you, it sounds as if you would prefer that, and support it, and would probably like the existing government to present something on it.

• (1650)

**Ms. Amanda Aziz:** I think Scott touched on it a little bit, and I think I heard some members speaking about it earlier, but the idea of a national system of needs-based grants, a comprehensive system, would be a bit broader than what's currently on the table, so it's broader than what the Canada access grants currently represent.

We've talked about this idea between low-income versus needs-based assistance. Low-income assistance is obviously helping those in a pretty limited category versus needs-based. As Scott was saying, some students have assessed need but their familial income doesn't put them in a low-income category. So I would think a national system of needs-based assistance would be needs-based and have some special emphasis on low-income students but also include this broader category of needs base.

I think there needs to be a more clear system, a clear system where students are receiving this financial assistance. Right now, there's this patchwork of systems, and from our perspective, with all these tax credits and these savings programs, the funding already exists for this comprehensive system of needs-based grants, by just taking all the money that's currently provided through tax credits and savings programs into upfront financial assistance. I think the most basic criterion is needs-based versus income-based.

Then, within that program, I think it's not a problem to have specific provisions for students such as aboriginal students, mature students, and students with disabilities, those who face perhaps additional barriers to just average students who have assessed need. So, yes, in terms of the most broad answer or the most basic answer, there needs to be a provision for needs-based assistance and not just low-income assistance.

**Ms. Denise Savoie:** Do you think there would be any value in trying to modify this bill to respond to some of those criticisms that have been levelled?

**Ms. Amanda Aziz:** Certainly I think there's room for that debate and discussion within this committee. Our priority is ensuring that students get the financial assistance they need, so hopefully all committee members are interested in discussing how best to do that. Absolutely, I think there's a lot of information and research out there that does provide different statistics for low-income versus needs-based assistance.

**Ms. Denise Savoie:** I think Mr. Regan pointed out that he was interested in getting his bill through and he wasn't clear on whether making those modifications might make it more difficult. But in the report that was published today, \$1.3 billion is going to families that disproportionately are at the wealthy end, as you mentioned. So I think there is a need to start thinking about where we're investing to really help students.

**Ms. Amanda Aziz:** Absolutely, and we have long said that there needs to be a discussion or at least an examination of who is receiving the financial aid from the federal government.

The quote that I stated in terms of families over \$70,000 benefiting the most from RESPs is from Don Drummond, the chief economist of the TD Bank Financial Group. These are economists. These are high-profile people who are dealing with these kinds of savings programs, knowing that they're not helping the students or families they should be helping.

**The Chair:** Thank you. That's all the time we have. We're over time.

We're going to go to Mr. Chong, for five minutes, please.

**Hon. Michael Chong:** Thank you to the witnesses for appearing in front of our committee.

I empathize with the situation your members find themselves in. There's no doubt that in the last 15 or so years tuition has skyrocketed. As somebody who lives in Ontario, I know that tuition has risen from about \$2,000 in the early 1990s to close to \$5,000 a year today. The same goes for other provinces. Despite the fact that Quebec has the lowest rates in the country, it has still increased tuition significantly in the last 15 years.

From the stats I've looked at, I think the annual increase has been close to 7% over about the last 15 years, so there's no doubt that tuition has risen in real terms faster than the rate of inflation. But one of the challenges your organization and your membership have is that there's consensus among many universities that the solution is to not freeze tuition or decrease tuition. As a matter of fact, some of the country's largest universities are calling for further increases in tuition.

We all know that tuition is provincially regulated. The Government of Canada has no say in tuition levels. For example, in Ontario the current Liberal government made a commitment to freeze tuition. That lasted for only two years. There was immense pressure from the university community to lift the freeze, so the government lifted the freeze and tuition is now climbing back up. In fact, Ontario had one of the highest increases in tuition this last year to make up for the two years of freeze that the provincial government mandated. So provinces that have put these initiatives in place to freeze tuition often end up reversing it with even further increases.

In Quebec, for example, there was a big conference at McGill University, *pour un Québec lucide*. Coming out of that conference, the principal of McGill University, Madame Heather Monroe-Blum, is calling for the Province of Quebec to allow McGill to raise its tuition over the next three years to the average of the rest of the country.

I empathize with you, because your members obviously want to see lower tuition, but I think you're facing some immense challenges. There are competing voices out there advocating for precisely the opposite of what your membership would like to see and what your organization is advocating.

I just want to finish on this point. Obviously tuition is an important aspect for your membership in accessing post-secondary education and training, but I also think there's often a forgotten element that is equally important, if not more important, and that's the quality of post-secondary education. My observation is that the quality of undergraduate post-secondary education in Canada is quite poor in many cases. We don't have sufficient data to come to a hard conclusion on that, but from what I see the drop-out rates after first year are immensely high. The class sizes in the first year in the country's leading universities are way out of range compared to leading universities in France, the United Kingdom, and the United States. It's not unheard of to have classes with 1,500 students in a single classroom.

There's a huge issue there about the way provincial formulas are structured to fund universities. It seems to me it's done on basically a factory mechanism, where you cram in as many first-year students as you can because you get dollars per student. If they drop out or struggle or there aren't the resources there to support them we don't really care because, frankly, we get our dollars per head whether or not they succeed in their first year. You end up with this weird system where in first year you have this massive bulge coming in. Then you get a bunch of people falling off the map and there don't seem to be the resources there to support them.

●(1655)

I would suggest that's a huge issue, and it's an issue about access. There's no use getting into first year university if after year one you fall off and nobody ever looks to you again.

So I put that point on as something your organization might look into.

**The Chair:** I'll leave it at that.

We're going to move to a second round of five minutes.

Ms. Dhalla, please.

●(1700)

**Ms. Ruby Dhalla:** Thank you very much.

I want to thank both of you for coming today and sharing your perspective.

Just to start off, Amanda, you're with the Canadian Federation of Students. How many members do you guys have in your particular organization?

**Ms. Amanda Aziz:** It's close to 600,000 students.

**Ms. Ruby Dhalla:** From across the...?

**Ms. Amanda Aziz:** Yes, it's undergraduates, graduates, and student unions. It's about 85 student unions across the country.

**Ms. Ruby Dhalla:** And Scott, you're here.

**Mr. Scott Gorry:** I'm attending Carleton in the fall as a mature student.

**Ms. Ruby Dhalla:** Now, you had, I believe, spoken about the fact that there were some issues you had that didn't allow you to support the bill, I think, based on its merit. Can you just maybe quickly tell me a few of those?

**Mr. Scott Gorry:** The highlight of what I said was that I think it lacks focus. You're putting a band-aid on something. If you wanted to table the bill, it should have been tabled with something that was a little more focused on solving the problem, instead of just trying to focus on two specific areas.

Post-secondary education is a prerequisite for a lot of jobs and a lot of careers in this country. When you limit the focus or when you think inside the box by saying we're just going to fix this or we're just going to fix this problem, instead of actually sitting down.... I think that's what my major frustration comes from: too often bills get tabled and debates happen like this, on just two specific issues, instead of someone saying we know there's a problem. Everybody in this room can say there is a problem, but nobody wants to step forward and say this is the solution to the problem, and this is how we're going to do it, and come together to fix it. Instead, you get these little band-aids, and you get these different private members' bills trying to push your agenda, instead of sitting down and saying, how are we actually going to fix this solution across the board?

To answer your question of why I don't support it, it's because it's not focused on a long-term solution.

**Ms. Ruby Dhalla:** I think, though, having talked to many students, and in my own case having gone through university not very long ago, that there is a frustration out there in the workforce, in terms of some of the rising tuition costs. But I think that for access to post-secondary education, whether it's an undergraduate degree or a post-graduate degree, there are barriers. For individuals who come from low-income families, financial access is a barrier, just as it is for individuals with disabilities.

As I said earlier, as a country we are going to compete in a globalized world with some of the emerging economies, like China and India and Brazil, and we're going to have to ensure that we prepare our country, that we prepare our young population with the skills and with the resources and with the educational requirements so that not only as individuals, but as a nation, we can compete with some of those emerging economies.

When you take a look at a country like India, 65% of the population in India is less than 32 years of age. I think it's important that we invest in our children, that we invest in our young people, to ensure that there is an opportunity for them to go into university and other post-secondary educational opportunities.

I realize the frustration, that there is a limitation for some of that accessibility. I'm a firm believer that if you have the grades and you have a desire and a passion and a commitment to go, you should have that opportunity. But I do think, Scott, with all due respect, that this particular piece of legislation, this private member's bill, is the right step forward, because we are dealing with individuals from low-income backgrounds, and we are dealing with people with disabilities.

I know that there was an opportunity to deal with some of the other individuals who have restricted access, like the aboriginal community, but unfortunately, with the investments that were made in the Kelowna Accord, the bill wasn't brought forward. As a result, that was cut. That's why there was tremendous frustration by the aboriginal community, because it would have provided it with an investment.

As the critic for social development, I know that I've been trying to push forward, along with many other opposition members here, in regard to investing in early learning and child care, because we all realize that investing a dollar is going to ensure a much greater outcome.

So I would hope that despite your frustration with the fact that rather than a band-aid solution we need one much more comprehensive in nature, that in itself is going to act as an inspiration to the government that we have at the moment to ensure that we invest in students, that we invest in young people. But I would hope that we would have your support today for this bill, in light of the fact that it is a step in the right direction, because it's going to ensure accessibility over many years, versus just the in first and the fourth years.

• (1705)

**The Chair:** Give a quick response, Scott. We're going to have to move on to the next round.

**Mr. Scott Gorry:** I appreciate your comments.

To me, it doesn't focus on the areas it needs to focus on. I think the fundamental problem is that you're not thinking outside the box and you're not trying to incorporate everybody into the solution.

You talked about the cuts to the Kelowna Accord and the aboriginal community being outraged. Well, you had 13 years to develop a program that would handle post-secondary education. You could have put a platform together that would have been a solid foundation and could incorporate all students, but it didn't go forward.

You talked about health care and day care programs. You tried to push through a day care program, but it didn't work either. You also cut transfer payments to the provinces for health care, which resulted in other cuts.

**Ms. Ruby Dhalla:** I had hoped you would have a non-partisan perspective.

**Mr. Scott Gorry:** I'm trying to take a non-partisan approach.

**The Chair:** I'm going to cut it off there. We're out of time.

We're going to move to Mr. Lessard.

[*Translation*]

**Mr. Yves Lessard:** As far as I'm concerned, I thought that was very interesting, Mr. Chairman.

I find your argument very interesting, Mr. Gorry, but I believe that what Ms. Dhalla raised deserves to be examined in greater detail. In a parliamentary system, there are government bills, which constitute priorities and which can include more provisions. There are also private member's bills, such as this one, which contain more limited measures. Now I want to understand your remarks. I understand what Ms. Aziz said, that is to say that, even though it's not complete—we would have liked it to be—we nevertheless agree on the bill and we could make amendments to it.

But you, Mr. Gorry, from the moment you say you don't agree on the bill as introduced because it isn't complete enough, are you nevertheless able to see that it contains a positive element for low-income students? Wouldn't it be enough in the circumstances to say that, since it's a private member's bill, we can hardly go any further, and to recognize that it contains a positive measure, or are you simply telling us that, if it only contains that measure, we might as well reject it? Do you understand my question?

[*English*]

**Mr. Scott Gorry:** Yes, I see what you're getting at.

I'd go back to the point that yes, it's a private member's bill. I understand it's a private member's bill and the priorities of different bills take different precedence.

When you talk about post-secondary education, the reason I don't agree with the bill is that it doesn't incorporate a broader scope. In my estimation, it's really two steps backwards.

[Translation]

**Mr. Yves Lessard:** I don't want to prevent you from answering, but, if I understand you correctly, in your opinion, this bill constitutes more of a step backwards than forward? Is that what you've just told me?

[English]

**Mr. Scott Gorry:** Is that what I'm saying? Yes, it is.

[Translation]

**Mr. Yves Lessard:** Why, very precisely and to inform us, do you think it represents a step backwards from what currently exists?

[English]

**Mr. Scott Gorry:** If you go forward with this bill and it becomes enshrined, then if different changes are made, as you stated, it's going to be stalled. With the different priorities on the government's agenda, you're not going to be able to get to it, and it may be pushed back.

[Translation]

**Mr. Yves Lessard:** Let's try to stay on the point. You say it's a step backwards. We think it's an improvement because it expands access for low-income families, low-income students.

In that case, don't you think it's a step forward? I understand that you would like the bill to cover more elements. But there's only one element. Do you think that element constitutes a step backwards?

[English]

**Mr. Scott Gorry:** I think it's a step backwards.

• (1710)

[Translation]

**Mr. Yves Lessard:** Why is it a step backwards? You're not specifically answering my question.

[English]

**Mr. Scott Gorry:** I tried to find out what constitutes low income for this program. There is no information that states what low income is.

Specifically, for me, I think it's a step backwards because it's only a stopgap to a larger problem. My problem and my frustration with stuff like this is that you put it forward instead of thinking within a broader scope.

I know your point is that because you're getting something, we should move forward on it. But I don't think you need to take all this time to put something forward, when taking a few more weeks, a few more months, or whatever, to come up with a better solution would have solved the problem. You're instead getting something now, but you're going to have to go back to fix the program.

[Translation]

**Mr. Yves Lessard:** I understand what you're saying.

In constructive terms, Ms. Aziz, you're saying that the bill deserves to be improved. So for us, who have to make recommendations to the House of Commons, can you briefly say what should be improved, if we have to make improvements?

[English]

**The Chair:** We're out of time. Just a quick response, thanks, Amanda.

**Ms. Amanda Aziz:** I think there could be a couple of things. One is the idea of needs-based assistance. It would examine the idea of how to incorporate needs-based assistance into it instead of just low income. Then I think Scott said something earlier about mature students. Currently, mature students aren't eligible for this grant because you can only access it after four years of study. So remove that restriction as well so students are able to access it past just the four years.

One more thing: the grant right now is available for students in their first program of study. Ensure that doesn't exclude students who are going to be transferring from college to university. It's your first degree, not your first program of study.

**The Chair:** Thank you.

Madame Savoie, five minutes.

**Ms. Denise Savoie:** Thank you.

I want to thank you both for your comments, because you've triggered a good policy debate, which we should have more of. It's been said by many people that we've been functioning on a patchwork of tax exemptions and tax deferrals and then the CESGs and CAGs and learning bonds are thrown in, and students are facing a broken package of financial assistance.

Just to pursue Mr. Lessard's comments, because I was going there, and those were probably my recommendations in pursuing discussions to improve this bill, I'm wondering if we could go one step further and have a transition for low income. Low-income families are defined by the national child benefit supplement. So if you were under 18, could that family receive...? Could there be a possibility of having, for example, full tuition for those students in the low-income category, and then a graduated system of smaller grants as you go up in income, as I think Ireland is doing?

Mr. Chong mentioned France earlier, where there are smaller classes. I did post-graduate studies in France, and it's free; there are no tuition costs. Ireland is going in that direction and they're seeing their productivity and the ability of their young people to compete, and even to educate Canadian students, which Canada hasn't been smart enough to do in some respects.

What would you think of that kind of modification to facilitate it even more, to make it even more useful for students?

**Ms. Amanda Aziz:** That's full tuition fees for low-income students, you said?

**Ms. Denise Savoie:** Something like that. I was suggesting some kind of a gradation. If we're going to be helping people, let's start with those groups that have been identified, but then move upward.

•(1715)

**Ms. Amanda Aziz:** Yes. As I said earlier, the provision of student assistance is important, and to include provisions for needs-based versus income-based could be examined and could be something debated within the committee.

One of our concerns when the grant was first announced was the level of assistance based on province for those students who study in provinces where tuition fees are lower. They are not benefiting as much as in places where students are studying where tuition fees are higher. Not that it's not benefiting students, but there's a concern that there's no provincial impetus, then, to control the costs of education. Certainly I think it's a worthwhile discussion to have, in terms of needs-based versus low income within the system.

There are quite simple ways to determine which category a student falls into. The Canada student loans program already assesses need and assesses how much unmet need a student has left once they've received their loans.

**Ms. Denise Savoie:** Would you be able to comment on what effect the Canada access grants have had on student debt so far? Even anecdotally, can you talk a bit about that?

**Ms. Amanda Aziz:** I didn't bring any statistics with regard to the access grant itself. I know that there were over 30,000 students who were helped in their first year. Certainly any bit of financial assistance helps students.

I think there was a question earlier about completion rates, and study after study shows that students who have more debt have lower completion rates. I don't have specific statistics, but certainly, anecdotally, the less debt students have to carry, the more likely they are to complete their post-secondary education.

**The Chair:** Thank you. I'm going to cut you off just a little early.

We're going to make this four minutes to finish off this round, because we have a motion to get to.

Mr. Brown, you have four minutes.

**Mr. Patrick Brown:** Thank you, Mr. Allison.

I have a question for Ms. Aziz. I wanted to delve into the alternative payments formula, which, as I'm sure you're well aware, is based on the Canada student loans program's net cost for loans and payments to individuals as per grants set out in the regulations. By enshrining the grants in this legislation, the grants would no longer be included in the calculation of alternative payments. There's been no recognition of that in the preparation of this private member's bill. This means that Quebec, the Northwest Territories, and Nunavut, which receive alternative payments, would receive less money. This would take funds away from students in those three jurisdictions. How do you explain that to people living in those jurisdictions? I imagine that there'd be concerns within your organization.

I know the number for Quebec; this would take \$5.4 million away from Quebec students. I'm sure the Bloc would have a problem supporting this when you're taking \$5.4 million away from Quebec, because that's what it does by changing this.

Now, have you spoken to students in any of those three areas about this lack of foresight in the bill? Are there concerns about the money being taken away from students?

**Ms. Amanda Aziz:** Yes. I didn't raise that in my remarks, but certainly we've debated internally this idea of enshrining the Canada access grants within the act versus keeping them within the regulations. I think it's an important discussion to have.

Certainly we would not support measures to decrease grant money for students. But there are two important points to consider. One is that enshrining it would ensure that if a future government wanted to cut the program, let's say, then there would have to be a substantial debate on the grants before there could be a change. At the same time, I appreciate the idea that if the grants were enshrined in the act, they would also be difficult to improve, for example, if the committee wanted to change them.

As far as I understood, the debate I had heard on the Bloc Québécois position on the act is that because the act provides Quebec with the option to opt out, as per a number of the programs that are provided by the federal government—

**Mrs. Lynne Yelich:** No.

**Mr. Patrick Brown:** No, it doesn't.

**Ms. Amanda Aziz:** That was the understanding I had.

**Mr. Patrick Brown:** Actually, you can rationalize cutting funds from students, and there will be politicians who try to do that. But do you consider the fact that there's no foresight for this alternative payments formula? There's no planning for that. Do you consider that a serious flaw in the bill? And what would be the advice of the Canadian Federation of Students to politicians who are proposing this in the future? If this falls and needs to come back, would it be your proposal that any future members of Parliament pushing this should include an alternative payments formula as a means not to take away funds from students? Is that a basic principle we could all support?

•(1720)

**Ms. Amanda Aziz:** If you're asking me if we would support a grants program that takes away money from students, we certainly do not support the idea that grant money should be decreased for students.

**Mr. Patrick Brown:** That was what I was looking for.

Do I have any time?

**The Chair:** You have one minute.

**Mr. Patrick Brown:** Quickly, Mr. Gorry, we talked a lot about the \$25 million that was cut by the previous Liberal government. I just wanted to know, in your experiences on campuses, what the effects of that were. How did you find students struggled with the unfortunate effects of those cuts in their day-to-day lives? What was the kick in the belly to students during the 1990s? How did that affect your colleagues?

**The Chair:** Scott, you have about 20 seconds to answer that.

**Mr. Scott Gorry:** In 20 seconds, I'd just say that it had a negative effect on them. It caused a lot of stress. It forced a number of my colleagues to leave school early to try to find jobs that could pay the bills. Services were cut. Infrastructure failed in the schools themselves.

**The Chair:** That's it. That's all.

Madame Bonsant, did you have a quick comment?

[*Translation*]

**Ms. France Bonsant:** What Mr. Brown said is not true. Section 14 of the federal Canada Student Financial Assistance Act refers to a right to opt out with compensation for provinces wishing to administer their own program of loans and bursaries. That is the case of Quebec, which has its own program. So who says that, if we vote in favour of this bill, Quebec would be penalized? He hasn't read section 14.

[*English*]

**The Chair:** Patrick.

**Mr. Patrick Brown:** On a point of order, I'd suggest that my colleague check the regulations, because the point she made was incorrect. This would be effective in that.

**The Chair:** Okay. We won't get into any more debate on that one.

I want to thank the witnesses, Ms. Aziz and Mr. Gorry, for showing up here today and participating.

We're now going to move to a motion we have. We'll let the witnesses walk away from the table; then we're going to debate a motion we have coming before us.

Mr. Savage, you have a motion before us, sir. Would you like to read it?

**Mr. Michael Savage:** My motion reads:

That the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities call upon departmental officials to provide evidence on the Canada Summer Jobs Program, including but not limited to the status of exact funding, and that those officials be called upon to appear on an emergency basis on or before May 31, 2007.

May I speak to that, Chair?

**The Chair:** Go ahead, if you want to speak to it.

**Mr. Michael Savage:** Well, if there is going to be discussion, I will. If people just want to go to a vote, I'll forgo my discussion.

**The Chair:** Hold on a second. Who would like to debate?

**Mrs. Lynne Yelich:** Before we go to discussion, didn't we pass a motion that on June 1, I believe, we're having the documents we've asked for? We had three motions. We all agreed that's what we wanted.

This is for June 1. Why would we need the departments there?

**The Chair:** Mr. Savage, then Mr. Chong, and then Ms. Yelich.

**Mr. Michael Savage:** Those motions are separate from this one.

This issue is one that has been raised in the House of Commons and in the committees and in the community. We had been assured repeatedly that all was okay with this summer placement program.

I raised this in the House three months ago, and in the response then the minister told me, "It's hilarious that the member would be concerned about a few million dollars in cuts."

A few weeks ago, when we started raising it in the House, we were told it was all about Wal-Mart and Rogers, etc., and that this was supposed to be for a not-for-profit organization. But rather than reallocate the \$11 million, they just cut it from the program, meaning that students were hurt.

Two weeks ago, members started getting calls from not-for-profits in their ridings. We raised this in committee. I raised the Autism Society of Nova Scotia and lots of others.

I have many letters here from people who not only were declined funding and who had always received funding, but who were insulted by the process. There's a home that takes care of students who have been kicked out of their homes and can't stay in school without this program. They got funding for 23 out of 70 areas applied for, and they couldn't believe it.

The Salvation Army got 31 out of 70 and were outraged.

Mic Mac Rowing Club says their program will not exist without the funding support. They're helping students who need it the most.

I could go through a number of these organizations that were the victim of this. Still we were told in the House that it was okay. Clearly, it's not okay.

Last week, Service Canada started covering up the program and trying to fix things when they started to scramble. We even heard that this was round two. We've heard that it was the bureaucrats' fault. Some of the stories are unbelievable.

The questions that need to be answered are: what was budgeted initially, because clearly it wasn't the full amount; second, what was added since then, and where did that money come from; what criteria were changed, because organizations that were turned down two weeks ago suddenly got funding on Friday—not everybody, but a significant number, we're told. And where do we go from here?

Minister Monte Solberg is a good guy. He didn't go out to deliberately hurt students. He didn't go out to deliberately hurt not-for-profit organizations. But that happened, and somebody has to take some responsibility for this. It is an important issue.

The clerk, I understand, advised officials of this motion, when I filed it last week, so that they'd be standing by. We had previous motions—exactly—that had been passed in this committee, looking for information we were told we couldn't get. Yet the minister has all that information when he stands up in the House of Commons. He knows who's been given grants in our ridings, and he knows who's been turned down, but he won't give it to us.

That's not acceptable. I think we need to have officials here from Service Canada this week to tell us exactly the answers to these questions, so that we can give some assurance to not-for-profits and students across Canada that this won't happen again.

• (1725)

**The Chair:** Thank you.

I have on the list Mr. Chong, Ms. Yelich, Mr. Brown, and Ms. Dhalla.

Mr. Chong.

**Hon. Michael Chong:** Mr. Chair, I don't think we should support this motion, for a number of reasons. First of all, it seems to me that this is just going to prolong the partisan games around this program. We've had a number of motions around this program already. We as government have agreed to those previous motions to provide the information the opposition has asked for. This is just another motion to prolong the circus around the games being played around this program.

What we did was quite simple. We did two things to the program as it was previously constituted. The first thing we did was remove the funding for for-profit corporations. We did not believe that for-profit corporations such as Wal-Mart and the like should receive government funding, so we removed that element of the program. That constituted approximately \$10 million of the program. That part of the program was removed. The funding that was in place for not-for-profits remained fully intact.

The second thing we did for the program—and this was based on very good public policy, based on the best advice we have received—was that we were going to target the program to areas of the country in which there were higher than average crime rates, higher than average unemployment, a higher proportion of the population that was from minority groups, whether that be linguistic minority groups or other minority groups, and there was a whole grid on which we evaluated these applications. As a result, regions of the country that had higher scores with respect to these social outcomes received more money, and regions of the country where there were lower scores with respect to these social outcomes received less money. That was the change in the program. It is based on very sound and very good public policy.

The *Montreal Gazette* recently had an editorial on this, saying the Tories took the right tack on the Canada summer jobs program:

The previous program gave local MPs far too much say over who in their ridings got money to hire summer students, a system that was ripe for abuse. The Tories instead devised a complex grid system administered by civil servants to decide

who got the cash, and gave priority to jobs related to a student's field of study and to students who would otherwise have difficulty finding a job.

I think one of the things we have realized in the last week or so is that in many cases not-for-profit organizations that had long received money, that had not yet heard back from the government, were wondering what was going on. So the minister indicated in the House that the funding had not all yet been allocated and that there was going to be a second tranche of funding, and he has acted on it. In the last week or so, many of the not-for-profit organizations that in previous years have received money have found out that they are going to receive money in the second round of funding.

We have reacted to the situation. We have addressed it. The minister has been extremely competent and attentive in this regard.

I think that when all the facts are presented, we have acted appropriately, and I don't think we should introduce another motion that would see the deputy minister and other officials come in front of committees so that we can have another circus around this, when in fact the program is based on sound public policy, and furthermore, in the last week or so, the department has announced a second wave of funding that has addressed some of the concerns the member raised in the House and has raised here in front of the committee.

**The Chair:** Thank you, Mr. Chong.

I had Ms. Yelich, but she stroked her name off the list.

I have Mr. Brown, Ms. Dhalla, Mr. Lessard, Ms. Savoie, and Mr. Savage.

• (1730)

**Mr. Patrick Brown:** Thank you, Mr. Chairman.

I think at the last meeting we saw a lot of cooperation from government members in terms of supporting motions that were put forward by the opposition, realizing that we all recognize how important this program is to Canadians. I have to say, part of the tone that my colleague Mr. Savage used today is a good sign too, recognizing that in funding that went out on Friday to organizations, at least we're being open-minded to recognize that we are trying to make this program the best it can be.

I particularly liked the fact that you noted that Minister Solberg is a good guy, and using that spirit of cooperation.

I don't think we need to have an emergency basis. What I would suggest, and I think we had success doing this previously in terms of trying to find a way to work this without playing procedural games—I think we had success with that two weeks ago and we should continue in that spirit—is that instead of having emergency meetings, as we all have other duties here around the Commons, that we simply put clause-by-clause back on this bill that I think we're going to do on Thursday. We could have a further discussion on the summer jobs programs on Thursday, but rather than disarrange everyone's schedules, I would suggest that we continue to meet on the basis we already do as a committee.

So I'd ask Mr. Savage to maybe give that some consideration as an area of common ground, because that could certainly still be done within the May 31 timeline.

**The Chair:** I just want to say, based on the 48th report, unless there's unanimous consent to continue, I have to adjourn this meeting at this point in time. We could bring this up on Thursday, first thing, if that's how we want to do our business. We can suspend...the other people. We can add some other meetings.

There are still people on the list. Unless there is unanimous consent to continue, we must break for the bells.

**Mrs. Lynne Yelich:** Well, the bells are ringing.

**The Chair:** That's the point.

**Mr. Michael Savage:** I have a point of order, Chair.

This resolution specifically has a timeframe on it. Because of the concern that the government might try to just rag the puck on this to get it out of the House, I would be prepared to accept that we would have a discussion again about this on Thursday. I would accept an amendment to this. I would change the date of the meeting, as long as that meeting occurred, whether the House was sitting or not.

**The Chair:** What we'll do is we'll bring it up as the first order of business on Thursday, and then we can make some decisions on the amendments there. We're going to be sitting next week, so it's not a question of that case.

**Ms. Ruby Dhalla:** Wouldn't it be beneficial at some point just to have the vote now? Because there is a timeline, and it is an important issue.

**The Chair:** Well, there are more people on the list. As I said, we'll make it the first order of business—

**Mr. Michael Savage:** I would call for a vote. What do we need to do to make—

**The Chair:** We have to have unanimous consent to keep going for that.

With that, the meeting is adjourned.

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