



# DEBATES OF THE SENATE

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## FINANCE

Budget 2011

Questions by:

The Honourable Claudette Tardif

Thursday, June 9, 2011

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### FINANCE

#### BUDGET 2011

**Hon. Claudette Tardif (Deputy Leader of the Opposition):** Honourable senators, nearly 2 million Canadians have student loans, and many are forced to use other types of credit, such as credit cards, family loans and lines of credit, in order to make ends meet while finishing their post-secondary education.

In 2009 the average debt for university graduates was \$26,680. That number is set to grow as a large proportion of young Canadians struggle to find a permanent job. At a time when interest rates are at historic lows, the government is charging about 8 per cent on student loans. Budget 2011 fails to deliver affordable and accessible post-secondary education to all Canadians.

As the Executive Director of the Canadian Association of University Teachers stated on June 6:

You build a better society by investing in education, not in prisons.

How does the leader's government plan to ensure that post-secondary students have the necessary tools and resources to repay their loans and therefore be able to build their net worth?

**Hon. Marjory LeBreton (Leader of the Government):** I thank the honourable senator for her question. The next phase of Canada's Economic Action Plan includes several measures to help students. Budget 2011 forgives a portion of the federal component of Canada Student Loans for new family physicians and nurses who work in under-served rural and remote communities. The budget increases the amount students can earn through work without their loans being affected, which will help about 100,000 students. It increases eligibility for loans and grants for part-time students, making post-secondary education more affordable to them. As well, part-time students will no longer have to pay interest on their student loans while they are studying, in line with the treatment of full-time students.

For skilled trades, the budget makes occupational, trade and professional examination fees eligible for the Tuition Tax Credit, to the benefit of another 30,000 Canadians.

When the government previous to ours came into office, it slashed transfers to the provinces. We provided an additional \$800 million per year through the Canada Social Transfer, an increase of 40 per cent, and we created the Canada Student Grant Program, which provides \$250 a month to low-income and \$100 a month to middle-income students. We made post-secondary scholarships and bursaries tax free and introduced the textbook and tools tax credits. Our permanent increase to the Canada Summer Jobs Program will mean 3,500 additional jobs per year for a grand total of 40,000 jobs. As well, the budget provides \$20 million for the Canadian Youth Business Foundation.

Honourable senators, I dare say that the record of this government on the issue of students is exemplary.

[Translation]

**Senator Tardif:** Honourable senators, on October 20, 2010, I expressed the concerns of representatives of the Canadian Federation of Students regarding post-secondary education. The recommendations made in their report underscored, among other things, the importance of implementing a national plan for a high-quality and affordable system of post-secondary education, and the need to reduce student debt by increasing the value and number of non-repayable grants available to students.

I realize that facilitating access to the Canada Student Loans Program and Student Grants Program is a positive step. However, significantly increasing the number of non-repayable grants would help students even more and would make post-secondary education more affordable.

Can the Leader of the Government in the Senate tell us why the government did not take these recommendations into account when preparing Budget 2011?

[English]

**Senator LeBreton:** Honourable senators, I am glad that the honourable senator acknowledged that these are good programs. Like all organizations, the government is quite willing to receive recommendations.

Budget 2011 basically reflects the budget that was introduced in March. I will be happy to draw to the attention of the Minister of Finance and the Minister of State for Finance, who will soon begin the budget consultations for Budget 2012, the recommendations to which the honourable senator referred.

[Translation]

**Senator Tardif:** I want to thank the leader for her answer. I have another question, honourable senators. Budget 2011 allocates new resources to support research and development in the higher learning sector. Unfortunately, the government continues to distribute these resources selectively and at its own discretion, by giving funding to a limited number of research groups.

As the president of the Canadian Association of University Teachers states:

Canada's scientific community has been very critical of the Conservatives bypassing the granting councils and directly funding projects and institutes that meet their political objectives. This clearly threatens the integrity and independence of research in this country.

How does the leader explain her government's political interference in the choice of projects and research institutes that will receive funding this year?

[English]

**Senator LeBreton:** Honourable senators, the government has done incredible work in the area of science and technology. One will always find someone who will disagree or criticize. However, I must point out that the budget invests an additional \$37 million per year to support the three federal research-granting councils, an additional \$65 million for Genome Canada, and up to \$100 million to establish a Canada brain research fund.

Since taking office, we have created programs such as the Canada Excellence Research Chairs, the Vanier Canada Graduate Scholarships and the Banting Postdoctoral Fellowships. The budget establishes 10 new Canada Excellence Research Chairs, some of which will be active in the fields relevant to Canada's digital economy.

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Our government is investing a record \$11.7 billion in science and technology this year to create jobs, improve Canadians' quality of life and to strengthen the economy for future generations. As I have said before, our science and technology strategy, which we established in 2007, caused us to be ranked number one in the G7 for government supported basic discovery oriented university research.

Honourable senators, despite all the efforts of the government, which are significant and which amount to a great deal of money assisting a great number of people as they come to this area, I can always count on Senator Tardif and her colleagues to find the one or two who are never satisfied with anything the government does.

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