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# THE

## House of Assembly Debates

### (OFFICIAL REPORT)

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FIRST SESSION 1991 – 96

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#### HOUSE OF ASSEMBLY

*Tuesday, May 14, 1991*

Pursuant to the adjournment, the House of Assembly met at 12:15 p.m.

#### PRESENT

His Honour L. A. WEEKES, G.C.M., J.P., (Speaker)  
His Honour T. C. ESTWICK, (Deputy Speaker)  
Hon. H. deB. FORDE, Q.C., M.A., LL.B., (Leader of the Opposition)  
Hon. P. M. GREAVES, Q.C., B.A., (Deputy Prime Minister, Minister of Public Works, Communications and Transportation and Leader of the House)  
Hon. M. A. KING, Q.C., LL.B., (Attorney General and Minister of Foreign Affairs)  
Hon. W. O. FRANKLIN, A.I.C., M.I.A.S., J.P., (Minister of Labour, Consumer Affairs and the Environment)  
Hon. N. K. SIMMONS, (Minister of Justice and Public Safety)  
Hon. H. A. BLACKMAN, B.Sc. (Econ.), (Minister of State, Ministry of Finance and Economic Affairs)  
Mr. O. S. ARTHUR, M.Sc. (Econ.)  
Mr. D. A. C. SIMMONS, Q.C., LL.M.  
Hon. C. V. WALKER, (Minister of Education)  
Mr. L. L. BRATHWAITE, J.P., (Chairman of Committees)  
Hon. E. E. GREAVES, B.A., Ed.M., (Minister of Housing and Lands)  
Hon. W. W. HALL, G.C.M., H.B.M., (Minister of Tourism and Sports)  
Mr. R. L. MORRIS, B.A., Cert. Ed.  
Mr. H. B. St. JOHN, Q.C., LL.B.  
Mr. L. R. TULL, Q.C., M.A.  
Miss B. A. MILLER  
Mr. DeL. O. BRADSHAW  
Dr. R. L. CHELTENHAM, M.A., M.Sc. (Econ.)

Mr. J. O. TUDOR  
Mr. D. W. BOWEN

*Prayers were led by Rev. Father Ivan Harewood*

Mr. SPEAKER: The House is in Session.

#### MINUTES

Hon. P. M. GREAVES: Mr. Speaker, I move that the Minutes of the Proceedings of this Honourable Chamber of the meeting held 30th April, 1991, be taken as read and confirmed.

Hon. E. E. GREAVES: I beg to second that.

Mr. SPEAKER: If there are no corrections or observations of those Minutes, let those Minutes stand confirmed.

#### LETTER FROM HER EXCELLENCY THE GOVERNOR GENERAL

Mr. SPEAKER: I have received the following letter from Her Excellency the Governor General dated May 13, 1991:

"Dear Mr. Speaker,

I shall be away from the island from 13 – 27 May 1991 on a visit to the United States of America and Canada. In accordance with the provisions of Section 29 (1)(b) of the Constitution, the Chief Justice, the Hon. Sir Denys Williams, GCM, will perform the functions of the office of Governor General during the period of my absence. ..."

## PAPERS

Hon. E. E. GREAVES: Mr. Speaker, I beg to lay the Barbados Physical Development Plan, as amended 1986.

## GOVERNMENT NOTICES

Hon. P. M. GREAVES: Mr. Speaker, I give notice of a Resolution to approve the amendments to the Barbados Physical Development Plan 1977.

## PRIVATE MEMBERS' NOTICES

Mr. L. L. BRATHWAITE: Mr. Speaker, there is a matter I should be dealing with under this Head, but I understand today that it is not yet ready and I am asking leave to deal with it later.

## FIRST READING OF BILLS

Hon. P. M. GREAVES: Mr. Speaker, I move that the Bill entitled the Students Revolving Loan Fund (Amendment) Bill 1991 be read a first time.

Hon. E. E. GREAVES: I beg to second that.

*The question was put and resolved in the affirmative without division.*

Hon. P. M. GREAVES: I move, Mr. Speaker, that a Bill entitled The Exchange Control (Amendment) Bill 1991 be read a first time.

Hon. E. E. GREAVES: I beg to second that.

*The question was put and resolved in the affirmative without division.*

## SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, I move, Sir, before we discuss matters pertaining to today's work that Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of the day's sitting.

Hon. E. E. GREAVES: I beg to second that.

*The question was put and resolved in the affirmative without division.*

## GOVERNMENT BUSINESS

Mr. SPEAKER: Government business is the order of the day.

## ORDER NO 5 – TO MOVE THE SECOND READING OF A BILL TO AMEND THE STUDENT REVOLVING LOAN FUND ACT CAP. 54A

Hon. H. A. BLACKMAN: Mr. Speaker, Sir, this is occasioned by an amendment that has to be made to the Student Revolving Loan Fund Act, Cap. 54A.

In 1977, Mr. Speaker, the Student Revolving Loan Fund was established with a loan from the IADB of, I think, US\$800,000. The idea behind this Student Revolving Loan Fund at that time was to provide loans to persons pursuing studies at undergraduate level. That was the first stage of the Students Revolving Loan Fund.

In 1984, Mr. Speaker, the Government again and the IADB started a second loan of US\$2 million from the IADB and this time, it was to assist with the expansion and the modification of the original loan fund. As you may recall, as I just said, Mr. Speaker, the original fund was started to provide loans for undergraduate studies and this second loan was a modification of that and an expansion, and the IADB provided US\$2 million. This second loan was to be used for post secondary studies, technical and vocational studies primarily at the Samuel Jackman Prescod Polytechnic and the Community College and also at the National Training Board. It was also to help with post graduate and graduate studies as the first one had been intended to do.

The programme, Mr. Speaker, in total came to US\$3.025 million. As I said, the loan from the IADB was US\$2 million and the Barbados Government had to put up US\$1.025 million to this Fund.  
12.25 p.m.

The Stage 2 Programme was subsequently revised as a result of the demand for the higher studies as against the lack of demands for the post secondary and technical level. Added to this the National Training Board was already providing loans and allowances to persons undergoing training there. As I said, this Stage 2 Loan had to be modified slightly.

Again, in 1989, the second programme had to be modified when U.S. \$38 000 of the IADB contribution was transferred from the Vocational Guidance Category to the Undergraduate Category. This was due to the lack of demand for loans in that category as against loans in the other graduate category.

The purpose of this loan is to provide an estimated 600 loans to eligible Barbadians in fields of graduate, under-graduate, technical, post secondary and vocational education. The funds should have been disbursed over a period between 1990 and 1995. The disbursement period

for this second stage loan ended on February 1, 1990. At the end of that period 588 loans had been made at a cost of U.S. \$5.9 million.

On April 4, 1990 the Government of Barbados and the Inter-American Development Bank entered into another agreement which would now be at the third stage of this agreement with a total amount of financing to be made available to the fund of about U.S.\$6.8 million of which the IADB will provide U.S. \$4.7 million and the Barbados Government U.S. \$2.1 million respectively.

The purpose of this loan is to provide an estimated 600 loans to eligible Barbadians in fields of graduate, under-graduate, technical, post secondary and vocational education. The funds should be disbursed over a period between 1990 and 1995. The period of the loan commitment should end in 1993.

Under this Stage Three Programme, as had been done with all previous loans, the loans will be made to persons in fields the Government consider are important and of national priority. The maximum loan to persons eligible has gone up from Bds. \$30 000 to \$50 000. The maximum repayment period has now been increased from ten years to twelve years. No funds have been disbursed as yet, Mr. Speaker, from this Third Stage Loan due to the fact that certain conditions prior to the disbursement of the loan have to be fulfilled.

In all of these loans from the lending agencies they always look at your efficiency and try as far as possible to tie what is happening with how efficient you are operating. Most loans that are made by these international lending agencies are made with the understanding that your efficiency will be improved and therefore, you will be justifying the loans.

Whereas in the previous loan the rate of interest was set at 12%, the IADB is saying that because the rate of interest can fluctuate up and down the 12% that was set there should be removed. It should be replaced by saying that the rate of interest will be at the prime rate charged by commercial banks. Therefore, that would allow for an up and down movement. That does not, however, prevent the Committee from setting rates that are lower than the prime rate. All this is doing is saying because the rates can go above 12%, to limit yourself to 12% is not really what should be done. It should be set at the prime rate charged by the commercial banks.

In the meantime, Mr. Speaker, that is, until the amendments are made, the Committee has been given the facility and permission to identify 254 loans amounting to about Bds. \$3 million which were committed since February 1988. February 1988 was the commitment period for the previous loans. All applications since 1988 would come under this other loan now. Two hundred and fifty-

eight loans have already been identified to be financed under this Stage 3 Loan. As soon as the conditions which should be precedent to the disbursement of these funds are put in place the loans will be disbursed to these people.

Mr. Speaker, the Student Revolving Loan Fund has suffered from problems. One of the main problems is repayment. There has been some delinquency among the persons who have benefited from these loans. This delinquency has been ongoing, I believe, from the time the Loan Fund started. However, in 1989 the Fund has been making a concerted effort to collect the outstanding debts. In fact, a loans officer has been assigned with the responsibility of seeking out those persons who had the loans and used them and to try to impress upon them the necessity of repaying the loan.

What has happened before, Mr. Speaker, is that those loans not repaid, the Ministry of Finance paid the arrears to the Fund. When the arrears had been paid, that money would have been transferred to the Consolidated Fund. It has been decided that the facility whereby the Ministry of Finance paid the arrears to the Fund, then when the arrears were paid in by the beneficiary, the money was paid to the Consolidated Fund, that in itself encouraged inefficiency. All of us know that if persons know the money is going to be paid anyhow they tend not to pay.

In an effort to increase efficiency of the Fund itself, that facility whereby the Ministry of Finance would pay arrears will be stopped. The Fund itself has been beefed up. It is being computerised at the moment so one can spot early those persons who are in arrears. Therefore, you could remind them up front that they are in arrears and they should pay the money which they have used to improve their education.

12.35 p.m.

Now during 1991-92 which is this ongoing year it is expected that the operations of the Fund will become computerized. As I said they have already started and therefore we are hoping that that will increase the efficiency in being able to get out data from the computer. It will also permit the Fund to assume the functions of record maintenance which is now being kept I think at the Barbados National Bank. Therefore it will enable the staff of the Fund to see up front and early those persons who are in arrears and therefore you could remind them very early, "You are in arrears by such an amount and try and get it up-to-date."

In addition, Mr. Speaker, the Fund will be providing a Guidance and Placement Unit which will guide potential beneficiaries into areas of study which prove marketable on completion on their study. It will provide graduates with information on available job opportunities based on the continuous contact made with the employers of various sectors of the economic community.

These improvements have been made mandatory under the Stage 3 programme during which it is envisaged and intended that the Fund should reach a high level of viability and in fact we are hoping that the Fund would become self financing in a short space of time.

*Aside.*

Hon. H. A. BLACKMAN: Well it has to revolve. That is true. If the fellow does not pay back then it would not revolve.

Because of this projection that the improvements in the Fund and the improvement in the efficiency of the Fund, the Inter-American Development Bank has included a budgetary figure for the following consultancies: There will be a consultancy in Management Information Systems which is being performed by Peat, Marwick Associates at a cost of BDS\$220 000. There will also be a consultancy to update the 1982 Manpower and Labour Market Study. This is being done by the Barbados Institute of Management and Productivity at a cost of \$34.8 thousand. There will be a consultancy to establish a Guidance and Placement Unit. The consultant appointed will establish the Guidance and Placement Unit referred to previously and will institute measures for annual update of the BIMAP Manpower Study. Thereafter the whole section would be administered by a Guidance and Placement Officer. The consultancy will be performed by Manpower Economist Mr. Albert Alleyne at a cost of \$52.8 thousand.

Progress that has been made so far in those three fields, with regards to the consultancy in management information systems being done by Peat, Marwick Associates. The computers have already been installed and they are being prepared for the data input, the system is almost workable. A Schedule with regard to staff training will also be implemented during this month of May.

There is progress as far as the consultancy to update the 1982 Manpower and Labour Market Study, in that this consultancy has already defined the new priority areas for the next decade but it is awaiting data to show the absorption of UWI graduates into the work force. We do not know how long that will take. The person has already been identified to establish a Guidance and Placement Counsel for the consultancy. The contract between the consultant and the Student Revolving Loan Fund is being drafted by the Attorney-General's Chambers and should be available shortly.

Mr. Speaker, speaking specifically on the amendments that we are asking this House to approve today, the first amendment would be to remove the 12 percent interest rate that is in the previous Agreement and to amend that by saying: "A rate of interest not exceeding the prevailing prime rate charged by commercial banks in Barbados, as certified from time to time by the Central Bank of

Barbados," that is section 7 (1) which needs to be amended. After that we want to delete section 17A which says that the Ministry of Finance must repay to the Fund all the amounts overdue by 182 days or more from the date on which such amounts become due and payable.

Mr. Speaker, with those words, I beg to move that this Bill be now read a second time.

Hon. W. O. FRANKLIN: I beg to second that, Sir, and reserve my right to speak again.

Mr. L. R. TULL: Mr. Speaker, Sir, the Honourable Minister in introducing this Bill states quite correctly that the Student Revolving Loan Fund Act was passed in 1977. The loan was started initially to provide loans for students who wanted to study at the undergraduate level at the University of the West Indies. Also in other institutions at University level where the University of the West Indies did not provide the discipline in which the student wanted to study.

What was a significant omission in the presentation of the Minister was that this student fund was started to enable children or young people of low income groups to have the opportunity to study at the University and other post secondary institutions. When the Fund started there was a family ceiling of income, according to my recollection of \$24 000 a year.

*Aside.*

Mr. L. R. TULL: The Fund started in 1977. Started means pushed off for the first time. It was negotiated with the Inter-American Development Bank in late 1976 and in 1977 by the then Barbados Labour Party administration.

The point I am making Your Honour is that this Fund was started by the Barbados Labour Party to enable people of low income groups to be able to go to university. A ceiling of parents of \$24 000 according to my recollection was the ceiling set. Therefore people who had incomes, father and mother, family income in excess of that were not entitled to borrow money from this Fund. I need to drive this home that this was for low income people. The Minister did not mention that and I thought it was worthy of mention.

But a number of other points raised in the Minister's presentation that will attract some attention from this side. I would deal with some of them. We know that the second stage made provision for post secondary students to do technical and vocational work at the Samuel Jackman Prescod Polytechnic and the Barbados Community College. What is a little alarming is that that sector of student has not been attracted to borrow money from the Fund to the extent that money that was earmarked to them was transferred to people doing undergraduate studies at the University. The

Minister very blithely goes over that and says \$36 000 were transferred to undergraduate studies because these people were not attracted.  
12.45 p.m.

I am charging the Government with a failure to publicise the opportunities available in this Fund for people who want to study at the Polytechnic and the Barbados Community College because there is a widespread perception in Barbados which is continuing, that the funds available in the Student Revolving Loan Fund are for university education only. Therefore young people across Barbados who want to learn mechanics, or secretarial work or hairdressing or plumbing and so on have not been made aware that they can go and apply to this Student Revolving Loan Fund and get the funds to enable them to pursue those studies here in Barbados.

*Asides.*

Mr. L. R. TULL: I want also, Mr. Speaker, Sir, and, Mr. Speaker, you have always warned me not to take on the idiocies that come from the other side. I have not heard any, Sir, so I have nothing to address. I am just going on, Sir. There is also the question, Mr. Speaker, Sir, about the lack of a proper updated manpower survey to guide the Fund into where they should lend money.

The Minister made reference to that, Sir. He said there was a 1982 study by BIMAP, or 1983, but it was somewhere down in that period, Sir. But, nothing has been done about updating the survey until now, Sir, so that the Fund is not guided by what are the national priorities. The Fund does not know at this given time in what areas is there a national need for training. They don't know that so they will be lending money in the dark. I have asked the question in here already, Mr. Speaker, of the Minister of Education, how many university graduates there are here in Barbados who have been applying for work in Barbados and cannot find work? The figure that I have is way over 100, closer to 200 than to 100.

Hon. H. A. BLACKMAN: Mr. Speaker, I really don't want to interrupt the speaker, but I think that if he is misleading the House, Sir, it is my duty to intervene.

At no time, Mr. Speaker, did I say that there was a 1982 study done by BIMAP. What I said was, that a consultancy to update the 1982 Manpower and Labour Market Study is being done by BIMAP. The study in 1982, a consultancy to update that study is being done by BIMAP but not that BIMAP did any study in 1982. I just thought I would correct that.

Mr. L. R. TULL: Mr. Speaker, Sir, I thank the Honourable Member for St. Philip South for getting up and strengthening the point that I am making, that since 1982 there has been no study, there has been no survey, to tell

what are the national needs in respect of training Barbadians and I am glad he said that and what he is now saying, Sir, and if I misrepresent him I apologise for that, but what he is saying is that there are now in 1991, nine years after, engaging the services of a consultancy by BIMAP to do a survey in respect of the training needs in Barbados, so I am very glad he got up, Sir, and made that timely interruption.

It is shameful, Sir, that when you are talking about the kind of money that we are speaking of here, and we are talking about the important areas of training and the careers of a lot of young people, and the meeting of needs in the work force in Barbados and a Minister of Government can get up so glibly and quarrel over whether BIMAP did the study in 1982 or whether somebody else did it.

The depletion of the funds, Sir. I am very concerned about this because again I don't think the Minister who introduced this Resolution even understands the import of what he introduced. He does not understand. This amendment to abolish the provision for Government to pay the Fund all amounts overdue by 182 days or more from the date on which such amounts become due and payable and the easy gloss-over with a naivety and an innocence by the Minister means that the Government will no longer be paying the arrears and the outstanding balance which is inclusive of arrears after six months. One hundred and eighty-two days is a six month period.

What happened in the past according to this legislation is that when there were arrears of payments to the Fund for six months the Government used to move the money from the Consolidated Fund into the Fund, not only in arrears, but the whole outstanding balance and what is happening now, Sir, is that the Government is backing out by this amendment of paying the outstanding balance into the Student Revolving Loan Fund with the result in my submission, Mr. Speaker, the result will be that there will be eventually a depletion in the availability of moneys in this Fund for on-lending to students. That is simple common sense.

If anybody wants to know what is wrong with that, Sir, we go back to first principles. This Fund was started to help people of lower income groups to be able to get university education, because even though the University at Cave Hill was there at minimal cost to students from Barbados there were a number of courses that were not offered at Cave Hill. People had to go further afield even if they went to Trinidad or Jamaica or beyond the region, and low income people were being deprived of the opportunity of study at university at more particularly in the fields of study in which they were interested. They had to go to Cave Hill and study sociology and history because even if they wanted to study pharmacy it was not offered by the University of the West Indies and they had to go further afield and this Fund made it possible for them.

Now, we are seeing by this amendment, Sir, a real and genuine threat to the availability of funds for that sort of person to pursue university education in Barbados. So, those are two points, the first one relates to the lack of publicising the opportunities for people in technical and vocational studies to study in Barbados and the second relates to the possible depletion of funds by the Government.

Mr. SPEAKER: Now, I am a bit concerned about the noises on the other side. They are not really interruptions but I would ask Honourable Members to allow the Honourable Member who has been given permission, to speak. That is my request and I expect Members to obey.

Mr. L. R. TULL: If they can't take the licks, Sir, it is all right. Now, there are two other points. In fact I am going to raise more than two, since I am getting interrupted. I might as well keep talking, Sir.

Mr. Speaker, Sir, the loans to students of technical and vocational education at the Samuel Jackman Prescod Polytechnic and the Barbados Community College used to be six per cent as compared to eight percent to people who were in university. The Minister is wondering why these people are not borrowing the money and why you have to transfer money that was earmarked to them to undergraduate education and it lies also in the fact that the Government of Barbados in recent times, I don't remember the exact year, Sir....

Hon. H. A. BLACKMAN: I am not wondering why people are not taking up anything.  
12.55 p.m.

The Honourable Member is having double standards. He said that they did not know about it and then he turned around and said that he wondered why they did not take it up.

Mr. SPEAKER: Obviously, that is not a point of order. Continue.

Mr. L. R. TULL: He is obviously suffering from stress. He has got more than he can handle. Mr. Speaker, Sir, I am making the point that in recent times the Government has increased the rate of interest on these loans by two per cent for the people who need the loan most, that is young men and women in Barbados who finish secondary schools at some stage or the other and want to do technical and vocational training. They have increased the rate of interest on a loan to them by two per cent in recent times. Then people are wondering why that particular sector is not making maximum use of what is available.

Now there are other points that need to be mentioned also in this regard. Regarding this question of the arrears of payment, the Minister said quite wrongly that this business

of repayment of arrears is an old problem. I am saying, Mr. Speaker, that the problem of the repayment of arrears is a problem that accelerated during the past five years to the extent that all but one per cent of outstanding arrears were contracted during the last five years. In other words, before five years ago the amount of outstanding arrears of the fund hovered around the one per cent figure. It is a combination of lack of imagination and inefficiency at the policy level of Government, Sir, that is responsible for the kind of arrears that is threatening to make this Revolving Fund unrevolving.

*Aside.*

Mr. L. R. TULL: We were talking about the manpower survey that the Honourable Member mentioned. He said that there is now provision for a Guidance and Placement Counselor in the Fund. I understand that this Guidance and Placement Counselor is to analyze the application of each person and then go out into the market and check to see whether a loan should be made to each one based on what is observed after each application. Now I think the Government really is going stark raving mad, Sir, to ask a Guidance and Placement Officer to analyze each application to the Fund and then to check in the market to see whether this person falls within the priority areas of study shows a massive inefficiency in the way in which the Government, the policy makers, are seeing the operation of this particular fund.

I want to make another point, Sir. We understand, Sir, that there are still large numbers of areas that are not covered by the University of the West Indies, development areas as they are called, Sir. But there is no available facility in the University of the West Indies at any of its campuses, so that people must move beyond the region to take on their studies in these areas. I speak, Mr. Speaker, of areas like architecture, quantity surveying, certain areas of marketing and business administration, and so on. Until very recently dentistry and veterinarian medicine fell also in that category. But it is only in a recent year or two that the Faculties of Dentistry and Veterinarian Medicine have started at the St. Augustine Campus of the University of the West Indies. But the ceiling of loans for undergraduate study is \$50 000. A course in architecture let us say in North America costs well over \$300 000. The maximum loan to these people, Sir, who apply is \$50 000 for the whole course.

What I am trying to suggest, Mr. Speaker, Sir, is that the very people for whom this Fund was established, people of low income groups, the people of the artisans and lower paid public workers are now squeezed completely out of the provisions of this Act. Because \$50 000 for someone who wants to study architecture that costs \$300 000, that is making a joke. The result is, Mr. Speaker, that the person for whom the Fund was never set up and those who are better off in the society are the ones who are the

beneficiaries in large measure in these areas that we are talking about. They are the ones who get the loans because the people in the low income groups cannot on the ceiling that is now set for the total individual loans can no longer qualify. Now instead of the Minister quarreling with every word that I say, I would have thought that he would have listened and seen to what extent the Government can reopen perhaps for the next stage their negotiations with the Inter-American Development Bank to see how they can rectify some of these problems that are militated against the interest of low income students even though the Fund was set up in 1977 to assist them.

There is another problem with collection, Sir. The Government has taken an inordinately long time to do something about serious collection of arrears. We on this side will not be lending our voice to any delinquency in repayment to these funds. The terms started off with very generous ones and this gave people an opportunity to improve their education and by the same process improve their status in life. It is only fair that when they borrow the money they should repay it because it is a revolving fund. If they do not pay the money back, it means that other students coming after them will not have any funds to borrow and to get this kind of advantage that their predecessors had. We are supportive of reasonable efforts made to collect arrears. But like so many things with this Government, Sir, they are always putting up the bar when the horse is already bolted. Now that the arrears have grown fairly substantially they are now trying to set up hurriedly a unit in the Ministry I believe, somewhere in the Fund anyway, to deal with these vastly accumulating arrears. That has not been handled properly. They have not given the kind of priority to that kind of problem, Sir, and it is something that they should have learned from.

The Honourable Deputy Prime Minister like the Minister who introduced this Bill, who showed a peculiar lack of knowledge on these things, does not know the difference between the old time Higher Education Loan Fund which was established by the Barbados Labour Party way back in the 1950's, in fact, in the 1940's just like this Student Revolving Loan Fund which has replaced it has been started by the Barbados Labour Party.  
1.05 p.m.

The Government should have learned from the experience of the Higher Education Loan Fund, because that was a Fund that was operated so loosely that hardly anybody ever repaid the money. There are a number of reputable citizens in this country who borrowed from that Fund and have not paid back.

*Aside.*

Mr. L. R. TULL: I don't owe the Government of Barbados one single penny for anything, Sir. Nothing at all. I don't owe income tax, they got a cheque two weeks ago.

I don't owe anything to the Government of Barbados. There are a number of reputable people who did not pay and the Government should have been guided by that. If the Fund started in 1977, Sir, the period for the arrears building up is a good ten years later. Some started before, but the main amount started some ten years later, after people had studied. They are usually given one or two years' moratorium for payment after they start to work, and the Democratic Labour Party Government has things so hard in the country that usually when they finish study and come back they have to wait two and three years to get a job anyway to start to work, so the moratorium took longer than usual and the arrears started to build up about a period of ten years later. At that point, although the Fund was in operation for that period, they had not set up an agency to enforce the repayment to the Fund of the arrears that were due to Government.

I am going on a little bit too long, Sir, but there is so much in this. In 1984 the Barbados Labour Party Government, enlightened as always, brought amending legislation, according to my recollection, to this House to give the Fund the discretion to convert loans into grants, because there are a number of extenuating circumstances that can arise that could make it difficult for the people to whom this Fund was originally targeted, the low income people. There could be extenuating circumstances that could influence the Government to convert their loans into grants.

I want to know, Sir, if the Honourable Minister of State, who gets so excited about everything, could tell the House before the end of this debate how much money has been converted from loans to grants and for which categories of borrowers, and in what areas of study. I think we are entitled to know. If you are going to talk about a serious debate, these are the kind of things that we have to know. I also would like the Minister to tell this Chamber what percentage of the outstanding balance due to Government is arrears. That is important. We have to know what we are dealing with, particularly when you bring an amendment such as the one that you have as the second amendment.

I want, finally, Mr. Speaker, to raise one other point raised by the Honourable Member for St. Philip South. He says that the third stage, which is only a technical way of saying the third loan with the Inter-American Development Bank, starts on 4th April, 1991 for \$6.8 million. That means the time has passed already. I want to know, in search of useful information to put this debate in a proper perspective, whether the money that is being lent for students at the moment, for this academic year, is money that is coming from the second stage or the third stage. Indeed, if it is coming from the third stage, whether the kind of work that the consultants were supposed to do is being brought to bear on the evaluation of the applications

at this time. That is important in the context of what is before Parliament.

I close, Mr. Speaker, where I started. The provision of this Student Revolving Fund has been a major catalyst in bringing extended university education, particularly in professional areas not covered by the University of the West Indies, for the children of parents of low income groups in Barbados. It has been a tremendous catalyst in that area, and it is for this reason that we on this side feel very strongly about the integrity, the proper management and administration of this particular Fund we are talking about today. There may be some politics in it, but we will exploit that now and on other occasions, but at the end of it the integrity of this Fund is to provide the opportunity for those who did not have it before, the children of the maids, gardeners, nut sellers, minibuses conductors and the agricultural workers. Those are the people whom this particular Act in 1977 was passed to give support to.

I am concerned, Mr. Speaker, that with the passage of time and the inefficiency shown at policy making level in the Government of the Democratic Labour Party, they have allowed this particular Fund to go on the shallows. The second amendment that is being suggested, in my submission, has the potential of so depleting monies in this Fund as to make it difficult in the future for those who need the money most to be able to get it.

Thank you, Sir.

Miss B. A. MILLER: Mr. Speaker, this is another area in which the Barbados Labour Party has conceptualised and established in Barbados primarily for, as the Honourable Member for St. George South has said, the children of the working masses of this country. This is yet another instance where we have conceptualised and put on the ground – in days gone by the Higher Education Loan Fund, in these more recent times the Student Revolving Loan Fund – and this is another area where the Democratic Labour Party has mismanaged to the point where a Minister comes in here today, in 1991, like a boy in the yard, tail between his legs, to say that the Bank says.....

Mr. SPEAKER: I am sure you will want to withdraw that.

Miss B. A. MILLER: As unto a boy in the yard....to complain to us in here that the Bank has said that since they cannot manage the Student Revolving Loan Fund, these stipulations it must lay down. That never happened to the Barbados Labour Party. The Barbados Labour Party was too busy implementing and conceptualising. You can't leave it now to the Democratic Labour Party to implement something without mismanaging and without bungling.

1.15 p.m.

*Asides.*

Miss B. A. MILLER: Education is not the only area in which this has happened. So, it is nothing to do with the civil servants. This is to do with the policy makers. They come in here now to tell you that they have problems. The first thing the Minister started to cry about was the problem of repayment. He spoke at some length, but in nothing that he said do we get any clear idea of exactly how the Government – I can't use the word "imagines", Sir, because that is a quality not known to Members on the other side – but how does the Government believe that these amendments will impact, not only on the Fund, but on those who see themselves as potential borrowers from the Fund. They complain about repayments, that people are delinquent. Like the Honourable Member for St. George South, I am not going to stand up here and give any comfort to people who have borrowed and want to be delinquent. However, I want to know what steps the Government is going to take in respect of these collections.

*Asides.*

Mr. SPEAKER: Has the Honourable Member concluded, or are you having problems with the noise?

Miss B. A. MILLER: I can't hear, Sir.

Mr. SPEAKER: You can't hear. Well, I will make my request again, but on this occasion, I think I may have to be a little bit more stern with my actions. I would appeal to Honourable Members just to observe the Rules.

Miss B. A. MILLER: In respect of these collections, the Honourable Minister has not told us exactly what steps the Government proposes to take. Is the Government going to start attaching the salaries of people who have been borrowers from the Loan Fund? What is the position going to be in respect of the bond which they signed? What is the position going to be in respect of people who guaranteed? Everybody who borrows from this Loan Fund must produce two guarantors. Not one, but two guarantors. Exactly what steps will the Government be proposing to take?

I certainly can remember in my time in the Ministry of Education when it was discovered that not only were certain skills scarce in Barbados but they were scarce in other parts of the world and we would spend our money educating people in these disciplines, which were scarce in Barbados and other parts of the Caribbean only to find that in North America and in other points outside of this region those skills would be snapped up. Skills, to which, those people were now looking and to which they had made no contribution, were going to snap them up. The offers were more often than not very attractive. I remember at the time stipulating that if firms and Governments outside of the Caribbean – because I regard service to the Caribbean as service to Barbados generally – wanted to avail themselves of the services of these people, then they must be prepared to pay off the loan as they do in many other sectors, Mr.

Speaker, Sir, and free the Fund so that somebody else could make a loan and it would continue to revolve. You can't stop a man from taking a job in Canada, or taking a job in England or somewhere in Europe or in the United States, if that is his will; but it would not be fair that by so doing he would be in a position, outside of the grasp of the collection mechanisms, and would thereby in consequence be depriving another student of a chance at the Student Revolving Loan Fund.

We have not heard anything of that from the Minister. All we have heard is that there is going to be a collections officer in the Ministry. Now, it is all right to have a collections officer, but if he doesn't have certain powers and if he doesn't have a certain quality of authority, you will find that you are paying him more in salary to collect than he actually does collect, as many other collection agencies have discovered. So, we need to be clearer on this side, from the Honourable Minister, as to exactly how the Government is going to pursue these collections. There are some people – the point has already been made by the Honourable Member for St. George South – who have very pressing extenuating circumstances why it is not possible for them to meet their repayment schedule and some of that has to do with lack of available jobs.

We are reliably informed by the Central Bank of Barbados that all sectors are now contracting. That not only goes to the availability of jobs, once the loan has been expended and the training acquired. That has to do with another point that the Minister raised, exactly what skills? This has to be, we are told, the subject of an update on the manpower study of 1982 done by BIMAP. The contraction that we are witnessing in all sectors in Barbados also has to do with what skills are now in scarce supply or in over supply in Barbados. You can get up and just call out a discipline here and a discipline there, but if, for instance, in the area of construction – I heard architecture mentioned and certain kinds of engineering – if there is massive contraction in the construction industry, are we sure that in fact we need more architects than we have available in Barbados today? Are we sure that the architects who are in Barbados today are not themselves staring unemployment in the face, Sir? So, it goes a little deeper than, just as the Honourable Member before me has said, glossing over these things, because those are the words put in one's mouth by the IDB.

This fund has to operate within the context of what is true in Barbados today, not what we would like to be the case or what has been the case in the past. The Minister also was careful in that he did not inform the House what is the present ceiling in respect of income, in respect of what is in effect, a means test, Mr. Speaker. We know that it used to be \$24,000. We don't know what it is today. All of these

are factors which impinge very much on the ability of people to become eligible for the Loan Fund in the first place.

1.25 p.m.

There was something called the Training Levy. I cannot remember out of my head, perhaps, some Honourable Member would assist me with exactly how much money the Training Levy collected last year, and the year before that. It goes into the Consolidated Fund together with other levies. Why is it that some of this Training Levy cannot be made available for the short-fall which we are told is the Student Revolving Loan Fund which has precipitated these stipulations where the Inter-American Development Bank is now insisting have to be part and parcel of this third package?

In that same connection with the Training Levy and the Training Fund, we do not hear anything from the Training Board. I would hope the Minister would be able to tell us something about what other options the Government is planning to make available to those who are not eligible for the Student Revolving Loan Fund, those who apply and find that funds are not available because the Fund is drying up. Since the Student Revolving Loan Fund is very carefully hedged in respect of what areas of study can be available, what other options other than the Student Revolving Loan Fund is the Government making available?

As I said, Sir, we do not hear anything from the Training Board. National Development Scholarships we do not hear anything about them anymore so what in effect is happening is that fewer and fewer avenues are open to potential students in a whole sluice of areas of study which may or may not be available at the University of the West Indies.

There are courses of studies available at the University of the West Indies some of which tend to be more over-subscribed than others in skills which are in scarce supply in the Caribbean. At Mount Hope in Trinidad a new complex has made available areas of study for the first time in this part of the Caribbean but they are only some. They are exclusively in the Sciences. But there are others which in the 1990's with the environment and other areas high on the list of priorities, these and several courses are not available to students who want to pursue them. We do not hear anything from the Government on that. I thought this would be an excellent opportunity for the Government to say exactly what its position is on this whole question and not try to limit it to the Student Revolving Loan Fund and these two particular areas of amendment. If you do not hear from one Minister one would hope we would hear from the other Minister, meaning the Minister of Education.

I am deeply concerned about both proposed amendments. The amendment at (1) in respect of the rate of interest I am concerned about that for reasons already set

out by the Honourable Member for St. George South, particularly in respect of (2) the abolition of the provision where the Government would top up the Fund. If the Government has no other choice then it must pursue other options. We really have not heard anything at all about what other options might be pursued.

This could be a time when the House could be told too what skills the Barbados Government considers are in scarce supply. The Government would be hard put to identify any but they should try because students out there need to know. I am often quite shocked at the number of students who do not even know of the existence of the Student Revolving Loan Fund. We hear from the Minister that provision is going to be made for guidance and job placement. We know that job placement is in jeopardy because of the state of the economy but guidance in respect of fields of study is something I think one or other of the Ministers should be able to expand on.

The rebuke from the Inter-American Development Bank is that the Fund is not viable and must become so, that the Fund is not efficiently managed and must become so – I only know this from listening to the Honourable Minister – and that the Fund is not self-financing and must become so, a terrible indictment, Sir. Yet, in everything he has said the Honourable Minister has not said anything which would reassure me, at any rate, and I suspect Honourable Members on this side, that these inefficiencies will see improvement or will be put right.

There is nothing here to suggest to me that the Fund will become viable because little or nothing has been said about the method of collection. There is nothing that has been said yet to persuade me that the Fund will become self-financing. In fact, all indications would go to show that the Fund may well dry up rather than become self-financing. There is nothing here to suggest that the Fund will become more efficient. It is really quite unsatisfactory and does not lead me in the end to believe that even these measures which have been stipulated by the Inter-American Development Bank are going to cure the whole problem. The whole problem is that the Government has to have a clear idea of where it is going. The Government needs to have a clear idea of what is going to be the short-term, medium and long-term future of all sectors in Barbados for any guidance of courses of study to be meaningful, that the economy would have to improve several-fold for job placements to become a reality in a way that they are not now. So, Mr. Speaker, on the whole, it is most unsatisfactory.

I think it is incumbent on the Minister to reassure this House and not only this House but all of those young people out there who, perhaps, now for the first time will learn about the Student Revolving Loan Fund, what it can do for them, to reassure them rather than to cast a damper to make them feel that their parents' income has put them

outside of the Loan Fund. What the alternatives are, I do not know. But they must not feel that the area of study that they wish to pursue is not one that the Loan Fund will countenance nor to make them feel that even if they are successful with a loan and complete their course of study successfully that there would not be a job there even if they are prepared to be bonded and to pay back. They must feel that will be a job there for them.

There is no confidence in this Fund. That is part of the difficulty with the Fund, a lack of confidence not only in the way in which it is administered and implemented but that the Fund will achieve in the end for young people in Barbados what the Barbados Labour Party conceptualised it ought to do.

Thank you.

Hon. P. M. GREAVES: Mr. Speaker, I want to join in this debate. There is only one matter on which I would like to speak. It is a matter really and truly of setting the record straight.

1.35 p.m.

I had tried in the best way I could at that particular time without in any way interrupting the Honourable Member for St. George South who was speaking to indicate to him that in fact the Student Revolving Loan Fund – I was trying to tell him at the time – was begun by the Democratic Labour Party when it was in office. He refused to accept it and he went on in his ignorance – ignorance means not an ignorant person but unknowing – to mislead the House to indicate that in fact this was conceptualized – something picked up by the last Member for the City who spoke – by the Barbados Labour Party.

Sir, I sent for the record and I have the records here. I hope that after this I do not hear anything more about this conceptualizing or what it might be, impregnating or anything at all about this particular matter in terms of who did or did not do it.

I am one who believe that it is always puerile to state "I did this" and the other person on the other side to state "I did that." That is why I tried quietly to indicate to the Honourable Member for St. George South, not to go down that road because if you are going down that road, it is a wrong road. Do not mislead the House.

Mr. L. R. TULL: On a point of order, Sir. The Honourable Member is saying that I mislead the House. I did not mislead the House. I went to Washington in 1977 and signed an Agreement with the Inter-American Development Bank for the funds for this particular thing.

*Asides.*

Hon. P. M. GREAVES: Sit down.

Mr. SPEAKER: I would not have that kind of...The Honourable Deputy Prime Minister cannot take that road in this debate as to tell a person to sit down.

Mr. L. R. TULL: I am on a point of order, Sir. You have to rule.

*Aside.*

Mr. SPEAKER: I am not accepting that any other person, other than myself, who have given permission to speak can terminate that person's speech. Therefore any reference that suggests that that person must terminate, I will not accept that.

What I would say to the Honourable Member as well, the Rules on a point of order just simply say to state the point of order without any introduction, elucidation or anything. Just simply state the point you want to make to correct what you consider a misleading statement and finish at that.

Mr. L. R. TULL: You are perfectly correct, Sir. The point of order is that the Honourable Member for St. Michael North is misrepresenting to the House in saying that I am misleading the House because I in fact had discussions on more than one occasion with the Inter-American Development Bank in the period 1976 to 1977 in Barbados and in Washington and subsequently signed the Agreement for this Fund. To be able to say that I am misleading the House is totally incorrect.

Mr. SPEAKER: Your point has been taken. Continue.

Hon. P. M. GREAVES: I will still say, Sir, the Honourable Member misled this House. He said they conceptualized this idea of the Student Revolving Loan. It came from his mouth, Sir.

*Aside.*

Hon. P. M. GREAVES: Do not tell me you did not. That word came from you first of all followed by the Honourable Member for the City that you conceptualized this thing. Do not come and say anything else that would wash it. It came from you the Honourable Member for St. George South. I have the record, Sir.

Mr. SPEAKER: Just one moment. Just as I have allowed the Honourable Member to speak without any interference or unnecessary interruption, so shall I allow the Honourable Member who is speaking to speak in such a manner.

Hon. P. M. GREAVES: Sir, in the House of Assembly Debates for 1971-76 January to December, "A BILL TO

PROVIDE FOR THE ESTABLISHMENT OF THE STUDENT REVOLVING LOAN FUND" at page 6998. The debate began this way, Sir:

"Hon. C. E. TALMA:" – Now he left in 1976 –

The next item is Item No.4 which stands in the name of the Hon. Minister of Education, etc.; it is the "Second Reading of a Bill to provide for the establishment and administration of the Student Revolving Loan Fund."

This came from Mr. Talma's mouth in 1976. He went out with the dissolution in 1976 and never returned to this Chamber. That is a matter of record.

"Hon. F. G. SMITH:" – then Minister of Education: –

"Mr. Deputy Speaker, I will not deal with this Bill to any large extent, except to say that this is another attempt by the Government to make available to the students in this country funds for the purpose of higher education. Negotiations –".

I want the Member for St. George South to listen very carefully to this:

"– with the Inter-American Development Bank and the establishment of a Student Revolving Loan Fund took place and as a result of the negotiations it was agreed that a Bill of this nature should come before Parliament."

Page 6998. That was seconded by the Hon. L. E. Sandiford who in fact initiated the discussions before he had left the Ministry of Education. It was Mr. F. G. Smith who succeeded Hon. L. E. Sandiford as he was then, Sir, as Minister of Education. Then, Sir, there was a contribution...

*Asides.*

Hon. P. M. GREAVES: Then, Sir, there was a contribution from Mr. F. L. Walcott, a long contribution. He went out in 1976. A contribution from Mr. Hinds on the same matter, a contribution from Mr. E. E. Greaves, a contribution from Mr. Simmons. It goes all the way down. The Honourable Member for the City made no contribution on it at that time. The Hon. F. G. Smith responded and the matter was passed in 1976 and it became The Student Revolving Loan Fund Act, Cap. 54A (1976-20). The Honourable Members who spoke on the other side can have this Volume II of the Laws of Barbados and they can check it for themselves. As I said...

*Aside.*

Hon. P. M. GREAVES: ...the record is clear. It is straightened out. I can give it to him because I have been around politics for a long time, like the Honourable

Member for Christ Church South. My memory is not always the best but I remember lots of things very well.

*Certain remarks made by the Honourable Member for St. Thomas were ordered, by Mr. SPEAKER, to be expunged from the record.*

Hon. P. M. GREAVES: Yes, Sir. I have been around here for a very long time. I have been involved in politics at various levels. I was the first Governor for Barbados on the Board of the Inter-American Development Bank and I remained on the Board for seven years. I distinctly recall, Sir, this was one of the projects, not only in the pipeline but came out of the pipeline during the time, Sir, that I was Governor for Barbados on the Inter-American Development Bank. So, Sir, I merely wanted on this particular matter to set the record straight.

1.45 p.m.

Let me, Sir, state this, let me say what happened to the Bill. On the separate motion of Hon. F. G. Smith, seconded by L. E. Sandiford, the Bill was read a third time and passed and cited as the Student Revolving Loan Fund Act, 1976. That, Sir, is at page 7006 of the same Hansard, House of Assembly Debates.

*Asides.*

Hon. P. M. GREAVES: They want to question the Senate now, Sir, and I will send for the Senate record. If any one dares to stand here, Sir, and query the issue of the Senate I will send as I did, Sir, for the record of the House of Assembly, I will send for the record of the Senate and I will read it in the record of today's debate, Sir.

Hon. C. V. WALKER: Mr. Speaker, I just rise to make a few comments on the contributions made so far. I am not in the best of health today. Sir, the Ministry of Finance as we are aware, and the Minister, did in fact introduce this amendment to the amendment and I think it is in June last year when the amendment was brought into this Honourable Chamber and the point was made at that time that there would be a subsequent adjustment or amendment from the Ministry of Finance dealing with the area of interest as well as the time for repayment.

Mr. Speaker, the point just made by the Deputy Prime Minister is very significant in that it highlights a pattern which one senses comes from the other side at all times. Just as the point was made by the Deputy Prime Minister that the Student Revolving Loan Fund was started sometime ago, it is in a similar vein that we heard, Sir, that negotiations with another bank and indeed with that bank and other banks, having to do with the World Bank Project in terms of schools, only started in 1977.

Sir, there is a World Bank Report which is dated, I think, February or March of 1991, and Sir, in one of the

paragraphs of that Report as well it goes on to say that the Government of Barbados started negotiations with the Bank as far back as 1972 and that the Bank however did not consider the requirements and request at that time because of what they referred to then, given its high literacy rate and relatively well developed educational system, notwithstanding the fact that some of the buildings were old and indeed a few reaching the stage where they would have to be replaced at some point.

Sir, let me get back to the matter before us here, Sir. First of all there has never been as much exposure and knowledge and awareness that there is in fact a Student Revolving Loan Fund as there is in 1991.

To reply to a few comments, Mr. Speaker, for graduate studies the family income was raised and we discussed this last year, June 1990 in this Honourable Chamber. It was raised to \$65 000 for graduate students. It was also raised for undergraduate students to \$50 000 and it was also raised for vocational studies to \$26 800.

Mr. Speaker, the whole question in terms of the maximum loans, the maximum loan was also raised within the last term of this government from \$30 000 to \$50 000. Mr. Speaker, the repayment period was also increased from ten years to twelve years. It is true that the age limit remains between 18 and 35 and the objective of the fund, Mr. Speaker, remains the same, that is, the Fund is supposed to revolve. Now, we have heard comments of the whys and the wherefores and the why nots about the revolution of the Funds. We will hear a little more about that later, Sir.

Mr. Speaker, under stage 2 which was just completed there were 558 loans which were made at a cost of \$11 921 596. There is much talk and there were queries about the arrears.

Mr. Speaker, as of March of this year there were 141 loans that are now due since September 1990 for an outstanding value of \$60 734.94. There were 79 loans now due before September 1990 for \$152 958.58 and there are 22 loans which were cancelled and called for payment by the guarantors for \$465 849.85 giving a total of \$675 543.87. Mr. Speaker, if we take an average period of four years of study. If we add to that a minimum, and I stress a minimum of one year moratorium, that is five years, therefore Mr. Speaker, we will see if we go back five years from September/October 1990 we will be way past any time when the Democratic Labour Party was the Government of the day. I will say no more on that. We will hear more on that later.

Mr. Speaker, we now have some 254 loans amounting to \$3 738 234 which are ready for disbursement and are committed and we are only awaiting the final amendment to be legally bound to carry out the objectives and the

agreement as signed by the Ministry of Finance and the Inter-American Development Bank.

This new loan, Mr. Speaker, is intended to provide some 600 loans in the areas of graduate studies, undergraduate studies, technical and vocational training. 1.55 p.m.

Mr. Speaker, the areas which are identified for loans under this package as well as the several persons who have already utilized the Student Revolving Loan Fund are in areas that are designated by the Committee to be of national priority. If we were to ask the numerous people who come in and request loans, they will tell us, Mr. Speaker, that the areas have been identified.

Mr. Speaker, when we discussed this a year ago, we went into the details and we heard queries by the then Honourable Member for St. George South who was the spokesman who made the queries, about the arrears and about the situation of people who were not repaying. There have always been people who have not been paying. But at the same time, Mr. Speaker, there is also a number of people against whom specific actions were taken and indeed are being taken and who have made arrangements to repay and indeed a few guarantors had to pay on behalf of the students.

I only wanted to answer those specific points raised by the two Honourable Members and with that I am obliged to you, Mr. Speaker.

*Aside.*

Mr. H. B. St. JOHN: Sir, I just wanted to start off then we can go to lunch, because I want this session before lunch to have the record very clear. The same debate that the Honourable Member from the other side is quoting I would like to quote too, Sir. But I want to quote the speech of our then spokesman, the late Honourable Member for St. Peter at Page 7000 of that debate:

"Now Mr. Deputy Speaker, the Minister I feel is in duty bound to tell us what is going to be the extent of this fund which is being established. We appreciate the fact that there is already in existence as far as we can remember a Higher Education Loan Fund. We would like to hear from the Minister if there is going to be any conflict between the Higher Education Loan Fund and the establishment of this Revolving Loan Fund."

When you talk about conceptualization and implementation as any Historian will tell you, the other side is only but an off-shoot of this party. You came after us. You must understand it. Anything you do except run the country into the ground would have had your origin in your inspiration when you were with us. The problem is that the

Honourable Members on the other side now that they are not with us are always running out of steam. That is the problem, Sir.

The position is, Sir, we can go to lunch and we will continue thereafter.

*Aside.*

Hon. P. M. GREAVES: Did someone speak?

*Laughter.*

#### SUSPENSION

Hon. P. M. GREAVES: Mr. Speaker, Sir, I move that this sitting be suspended until 3:00 p.m. today.

Hon. M. A. KING: I second that, Sir.

*The question that the sitting be suspended until 3:00 p.m. today was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly.*  
2.00 p.m.

#### RESUMPTION

Mr. SPEAKER: This sitting is resumed. Does anyone else want to take part? Otherwise, the Minister can wind up.

Hon. H. A. BLACKMAN: Mr. Speaker, Sir, I shall not be long and I will try not to be controversial as well. There are a few statements that were made, Mr. Speaker, with which I have to take objection. Now the impression being given, Mr. Speaker, is that this administration either willfully or not willfully somehow did something to stop the Student Revolving Loan Fund from functioning.

Now I have inquired, Mr. Speaker, that if something was done, what was done by this administration to stop the Fund from performing and, if it were performing efficiently before, what was then to stop it from performing efficiently. Mr. Speaker, nothing has been done by this Administration to cause any drop in efficiency or otherwise with the Fund. The same people who have always operated and managed this Fund are still managing and operating the Fund. So I cannot understand the argument. The impression also was given, Mr. Speaker, in here and this was the impression that I got that the arrears was principally caused by persons entering the loan scheme since 1986. That is the impression I got.

Now nothing can be further from the truth than that, Mr. Speaker. In fact, by the end of December 1985 the arrears outstanding at that time were \$394 000. If you add

the percentage or interest on that, you would see that these are people whom I have checked to see if they have paid anything since.

*Aside.*

Hon. H. A. BLACKMAN: Mr. Speaker, you hear now they are saying that they know this.

Mr. SPEAKER: I am sorry that you are hearing the asides. I do not hear them.

Hon. H. A. BLACKMAN: I hear them just in passing but they do not put me off. Mr. Speaker, the point has to be made that the arrears were there in the system for years. There are people in here that I have noticed because of not paying over a very long period of time the total they owe is in the region of \$43 000. These are people who can pay. The Honourable Member was probably prodding me to call names. I am not going to do that.

The point that I am trying to make is that I do not believe that any Honourable Member in here – I am very glad that the Honourable Member for the City came out and stated her opinion up front – should give the impression that any person who is benefiting from this Fund that they should not pay the money back to the Fund. After all, it is a revolving fund. So actually what the Fund needs is the money to revolve so other people can benefit.

Mr. Speaker, the Honourable Member for the City was saying that she has not seen or heard anything that is going to be done to make this Fund more efficient. Now the first thing is that when I was introducing the amendment to this Bill I actually stated on that occasion some of the things that will be done to strengthen and to endeavour to make the Fund more efficient. The Honourable Member must have heard when I mentioned the amendments. In fact, the very amendments are being made in an effort to try to make the Fund more efficient.

3.05 p.m.

The Honourable Member also stated that the IADB, in reference, was saying that the Fund is not being efficiently run and therefore the efficiency of the Fund should be improved. If the IADB is saying that, what the IADB would have been saying is that the Fund has not been efficiently run since its inception, because as I pointed out, the arrears go back for years. If the IADB, or any lending agency, is saying that the Fund has not been efficiently run and therefore it is about time that the Fund becomes more efficient and in a number of years it should be able to finance itself, there is nothing wrong with that. There is nothing wrong with trying to bring anything to operate more efficiently. If the IADB had to tell you so, it meant that the IADB was saying that that Fund had not been efficiently run for years.

We are putting things into place in an effort to make the Fund more efficient. When I introduced the Resolution I stated that the introduction of the computerised process will permit the Fund to assume all functions of record maintenance now performed by the Barbados National Bank. I went on to state that this will enable the staff to access data on students' accounts more readily and will permit closer follow up of persons. Instead of waiting until a person owes for four years, with this situation you can go to a person after two months and tell him he is two months in arrears. It is easier to pay back two months' money than to pay back arrears for three or four years, so this is also in an effort to make it more efficient.

There are other things I mentioned. The mere fact that the IADB has identified and apportioned money to certain areas, like the consultancy in management information system, the consultancy to update the 1982 manpower and labour market study, the consultancy to establish a guidance placement counsel unit, all of these are put in place in an effort to make the Fund itself more efficient.

Mr. Speaker, I really don't want to prolong the matter any further. One point I will have to make again about the question of arrears. As I said before, to give the impression to persons who use this Fund that they need not pay, and then to use the argument that the Government who has been, as it were, footing the bill with regard to arrears, should continue to do that, if the Government does not put a stop to this and other things, whatever inefficiency there is in this institution or organisation will continue, and the Government has to put a stop some place. This is an effort to make this Fund become more efficient. The Government has told it, "Okay, we are putting certain things in place to help you, you have to try and help yourself." In the meantime, what we used to do, put in the money, we are going to stop, because all of us know that from the time persons realise that you are going to pay they are never going to pay. All of this has been done in an effort to try to make this Department more efficient.

There are a lot of other things I could say, Mr. Speaker, but I do not believe it is necessary to say them now. I do not believe that this is the place to speak certain things that are known, but those persons who are in arrears know who they are and I would hope that they come in and pay the arrears to the Fund, because it is a revolving Fund which can only exist and become efficient if people repay the money.

With those remarks, Mr. Speaker, I beg to move that this Bill be now read a second time.

Hon. W. O. FRANKLIN: I beg to second that, Sir.

*The question was put and resolved in the affirmative without division.*

*On the motion of Hon. P. M. GREAVES, seconded by Hon. W. O. FRANKLIN, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. L. L. BRATHWAITE in the Chair.*

*Clauses 1 and 2 were called and passed.*

*Clause 3 was called.*

Hon. H. A. BLACKMAN: Mr. Chairman, I beg to move that clause 3 stand part.

Hon. W. O. FRANKLIN: I beg to second that.

Hon. H. deB. FORDE: Mr. Chairman, if this clause, which amends the substantive section 17, is passed, I should wish to draw to the attention of the Minister and the Committee that consequential amendments should be made to sections 18 and 19 of the substantive Bill. Section 18 states:

"where any profit or gain accrues to the Fund as a result of money paid under section 17(b), the Committee shall cause the amount of that profit or gain to be paid into a reserve account."

Subclauses 17(a) and 17(b) are now disappearing and there is one composite clause, so it would be necessary to amend section 17 of the Act to abolish (b), and likewise section 19(1) of the Act, which refers to section 17(a). Maybe the Minister will wish to take that point.

*The question that Clause 3 stand part was put and resolved in the affirmative without division.*

*On the motion of Hon. H. A. BLACKMAN, seconded by Hon. W. O. FRANKLIN, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.*

*On the separate motions of Hon. H. A. BLACKMAN, seconded by Hon. P. M. GREAVES, the Bill was read a third time and passed.*

Hon. P. M. GREAVES: Mr. Speaker, this is as far as we are going for this day.

## PRIVATE MEMBERS' NOTICES

Mr. SPEAKER: There is one Item which was not ready because of the correction of a typing error in a Resolution by the Honourable Member for St. Michael North East. I shall now have that recommitted.

Mr. L. L. BRATHWAITE: Thank you, Mr. Speaker. It is to move the following Resolution:  
3.15 p.m.

"WHEREAS the motor insurance industry is an integral component amongst the central services and systems which protect all sectors of the travelling public.

AND WHEREAS the availability of motor insurance at reasonable cost is vital to the enhancement of that protection for the travelling public.

AND WHEREAS the progressive escalation of insurance premiums is disproportionate to the unit value of vehicles insured.

AND WHEREAS comprehensive market analyses of the motor insurance industry, especially of all elements of risk and of the fundamental principles governing the fixing of the premium base, would help to chart the future of the industry in Barbados and, in particular to determine the validity of current high premiums.

BE IT RESOLVED THAT this House urge Government to establish a Commission to inquire into the motor insurance industry and to consider and make recommendations on the concept of a system of no-fault insurance in Barbados.

## ADJOURNMENT

Hon. P. M. GREAVES: Mr. Speaker, I move that this House be now adjourned to Tuesday, 28th May, 1991 at twelve o'clock noon.

Hon. H. A. BLACKMAN: I beg to second that.

*The question was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly.*  
3.19 p.m.

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MILLER, Miss B. A. (City of Bridgetown)  
ST. JOHN, Mr. H. B. (Christ Church South)  
TULL, Mr. L. R. (St. George South)  
WALKER, Hon. C. V. (St. George North)