ORAL ANSWERS TO QUESTIONS
SALE BY LEVY SOLIDARITY FUND – COMMITTEE, ASSISTANCE ETC

The Leader of the Opposition (Mr P. Bérenger) (By Private Notice) asked the Vice-Prime Minister, Minister of Finance & Economic Empowerment whether, in regard to the Sale by Levy, he will state –

(a) The composition of the Committee that considers disbursements from the Sale by Levy Solidarity Fund, indicating the –

(i) criteria used for the granting of assistance therefrom and the determination of the quantum thereof; and

(ii) number of requests for assistance received, considered, turned down or granted, indicating the amount disbursed as at to date; and

(b) If Government proposes to bring amendments to The Borrower Protection Act.

The Vice-Prime Minister, Minister of Finance & Economic Empowerment (Dr. R. Sithanen): Mr Speaker, Sir, with your permission, I will reply to PQ B/384 together with the PNQ, since it relates to the same subject matter of sale by levy.

Mr Speaker, Sir, the House may find it useful to recall the brief history of this subject to better understand the actions of Government.

In May 2001, following representations from victims of Sale by Levy, the then Government set up a Task Force, including representatives of “l’Association pour la Protection des Emprunteurs Abusés” (APE). In parallel, a press communiqué was issued to inform the public about illegal practices relating to money lending.
As a result, the Registration Duty Act was amended to provide for licensed money lenders, while the Money Lenders Act was amended to render null and void a loan where a money lender lends without a license. Additionally, a committee was set up to review the overall legislative and regulatory framework relating to insolvency and creditor in Mauritius including sale by levy system and procedures.

In view of the lack of progress on the main issues, on 07 July 2004, the then Government appointed Sir Victor Glover, former Chief Justice, as Chairman of a Commission of Inquiry with Messrs Yuvraj Thakoor and Denis Vellien as assessors.

The report was circulated to the public in December 2004, and work begun on a Credit Facilities Bill. However, due to the complexities of the issue, progress was very slow. The main obstacle to dealing directly with the problem of sale by levy victims arises from constitutional provisions protecting property rights including those secured by valid contracts. At the same time, a balance Mr Speaker, Sir, needs to be struck between protecting victims of abuse and provisions that would result in credit being withheld from those who need it most.

When we came to power in July 2005, we had to face the challenges of the sale by levy issues, as the real and substantive problems remained unattended.

Notwithstanding these challenges, this Government requested the Attorney General to find a way of navigating the constraints to allow action on behalf of deserving victims.

In August 2006, the hon. Prime Minister met with representatives of the victims of sale by levy to assess the magnitude of the social, economic, moral and humanitarian dimensions of the issue. Following this meeting, the hon. Prime Minister requested the Commissioner of Police to open a special desk for victims to report, and we also asked MHC & NHDC to stay action on sale by levy procedures until a solution could be found.

Mr Speaker, Sir, the constitutional issues imply that legal action is only possible for preventing future cases of abuse. To deal with this issue, in January 2007, Government called a special session of the National Assembly to adopt the Borrower Protection legislation. This Act has eight major provisions -
First, setting up the office of a Commissioner who can intervene on behalf of borrowers and prevent abuse;

Second, obliging lenders to undertake due diligence in verifying that borrowers have the capacity to pay;

Third, requiring borrowers to disclose full information on their indebtedness to avoid lenders offering loans that cannot be repaid;

Fourth, barring credit agreements from having abusive clauses by way of payment to law practitioners’ fees;

Fifth, preventing lending institutions from charging extortionate interest and compound interests, that is, interests on interests;

Sixth, safeguarding the rights on a matrimonial home by requiring the consent of both spouses, irrespective of the matrimonial regime, for giving the home as security;

Seventh, to alert the borrower if he has not fully paid for three months and work with him to reschedule, and

Eighth, an immovable property given as security cannot henceforth be sold by way of sale by levy but instead to allow the borrower, in the first instance, opportunity to sell the property by way of private contract.

The Act, therefore, prevents future cases of victims of sale by levy in respect of loans not exceeding Rs2 m.

At the same time, Mr Speaker, Sir, due to constitutional provisions, the Act could not address the cases of victims of sale by levy prior to its proclamation on 07 March 2007.

This is why, in a humanitarian endeavour, Government also took special action to assist deserving cases. In the Budget Speech 2007/2008, Government announced the setting up of a Sale by Levy Solidarity Fund to financially assist deserving families who have lost their only residence through sale by levy, to acquire a house, by making a grant on a case to case basis, through a closed end fund with a maximum of Rs100 m.
Mr Speaker, Sir, in view of the complexity of the cases and to ensure transparency and fairness in processing applications, in July 2007, Government set up three structures to examine and make recommendations on eligible victims. The information, with respect to all cases, are compiled by a Technical Sub-Committee for submission to the National Solidarity Fund Committee that examines and assesses the merits of each case according to set criteria, and makes recommendations for assistance from the Sale by Levy Solidarity Fund. The recommendations are subject to financial clearance by a Committee, chaired by the Financial Secretary, and including representatives of the Ministry of Social Security, the Attorney General’s Office and the Prime Minister’s Office.

Mr Speaker, Sir, the National Solidarity Fund Committee that evaluates cases and recommends assistance comprises representatives from Government and Civil Society, including NGOs and Trade Unions. Its members are as follows -

Mrs F. Ng Cheng Hin, MSK  - Chairperson
Mr N. Soobratty  - Representative, Ministry of Social Security
Ms M. Madhub  - Representative of Ministry of Finance
Dr N. Jaypaul  - Representative of Ministry of Health
Mr A. Sandrazie or  - Representative of Mauritius Tax Payer’s Association
Mr Rungasami  -

Mr Y. Chotoye  - Representative of Mauritius Labour Congress

Mr V. Seeboo, MSK  - Representative of Mauritius Council for Social Services

Mrs N. D. Kinnoo  - Representative of Prime Minister’s Office

Ms Isabelle Kong Tin Kin  - Representative of Mauritius Employers’ Federation

The criteria used for the granting of assistance are -

- house seized on or before 31 December 2006;
- loss of only residence belonging to the applicant;
• unexpected change in circumstances leading to non repayment of loan – viz sickness, loss of job, death of income earner etc, and
• victims should not be owner of another residential property of more than 60-70 toises or agricultural land of more than 1 A in addition to property seized.

The grant for financial assistance aims at ensuring that deserving victims have a home. The quantum reflects their specific circumstances, including their ability to contribute and their level of indebtedness. The grant does not exceed Rs500,000 per household, and is meant to assist in repurchasing/recuperating house, acquiring a new house, constructing a house, withdrawing seizure case in court or payment of rent allowance of Rs1,250, exceptionally to beneficiaries aged 80 and above who are dependent on their children or relatives.

Mr Speaker, Sir, beneficiaries with household income of less than Rs5,000 per month are exempted from making a contribution towards the costs of the house.

When an application for assistance is approved, the contribution from the Sale by Levy Solidarity Fund is made only when the beneficiary has identified a house to be purchased or has made all necessary arrangement for the construction of a house. In the latter case, the construction is made through MHC, to ensure that the beneficiary completes construction.

A first exercise was carried out from September 2007 to January 2009. Initially, 107 cases came forward based on responses to a press communiqué inviting victims to come forward in addition to the cases reported to the Police, following the intervention of the hon. Prime Minister. In addition, Mr Speaker, Sir, the Associations of Sale by Levy Victims requested that an additional 46 cases also be considered. We agreed. Out of the 153 applicants, 13 could not be traced. The remaining 140 cases have been examined, and 37 cases have been found to be eligible.

Mr Speaker, Sir, cases of victims of sale by levy are highly sensitive and very emotional, and it would not be appropriate to release the names of the beneficiaries as well as those who have been found not to be eligible for financial assistance under the Fund, in order to preserve their privacy, their confidentiality and not to stigmatize these families who have had to endure a lot hardship and suffering in their lives.
However, Mr Speaker, Sir, I am submitting the number of cases where funds have been disbursed and the amount relating thereto.

Disbursement is made only when the beneficiary has identified a house to be purchased and the deed of sale is finalised at the notary, process which take time.

Payments have already been made in respect of 16 out of the 37 cases. Eight families have been provided with financial assistance to the tune of Rs2.86 m. to recuperate/repurchase their houses. Four families have been provided with a sum amounting to Rs1.3 m. to repay their debts, so that their cases of seizure of property can be struck out in Court, and four families have been financially assisted to the tune of Rs1.91 m. to purchase a new house. This makes approximately Rs6 m. for the 16 cases.

Of the remaining 21 cases -

(i) one beneficiary is in the process of constructing his house;
(ii) seven beneficiaries are negotiating for the repurchase of their residential property;
(iii) nine beneficiaries are looking for houses to purchase;
(iv) one case has been kept in abeyance until applicant clears his outstanding debts with MCB Finlease;
(v) one case is related to finalisation of divorce, and
(vi) in two cases, the beneficiaries who are above 80 years will benefit from a monthly rent allowance of Rs1,250.

Mr Speaker, Sir, a additional sum of Rs10 m. has been earmarked for those cases which will be disbursed as and when all procedures for acquisition/construction have been finalised.

The 103 cases accounting for 73% of the 140 cases processed are not recommended for the following reasons, and I give the details, Mr Speaker, Sir -

- Heir applying in lieu of deceased parents – not sale by levy -
  sale by licitation, prescription, levy by distress 14 (10%)
  Applicant not even owner of sold property 9 (7%)
- Applicant passed away while case under consideration, 2 (1%)
  no loss of residence, but only loss of bare land, which we don’t reimburse 12 (9%)
- No seizure effected, sale stopped and property sold before sale by levy 13 (9%)
- Property purchased by children/close relatives before sale by levy 5 (4%)
- No unexpected change in circumstances, no hardship 28 (20%)
- Failure in business 13 (9%)
- Criminal offence 2 (1%)
- Applicant has many other assets 2 (1%)
- Reserved cases – Divorce cases 3 (2%)
TOTAL 103 (73%)

I am supplying all these information for the benefit of the House, Mr Speaker, Sir.

A second exercise has been launched in February 2009 at the request of the Associations representing Sale by Levy Victims. The new submissions were unable to meet the earlier deadlines, due to a variety of reasons including ill health. 80 additional requests have been received, and are being processed using the same criteria. Moreover, to ensure transparency and fairness, a communiqué was issued inviting other victims in the same situation to come forward. Calls for applications were issued with the time limit for submission of applications being 31 March, 2009. 217 requests have been received within the time limit, and are being currently processed. Mr Speaker, Sir, in addition, another 38 persons have applied after the time limit and, in a spirit of compassion and solidarity, I have requested that their cases also be examined.

Concerning part (b) of the PNQ, Government does not propose to amend the Borrower Protection Act because the Act already provides adequate protection to borrowers.

Mr Speaker, Sir, we feel deeply sorry for the plight that the victims of sale by levy have endured, the undue hardship caused, the prejudice suffered and, above all, for the property they have lost. We unequivocally condemn those who have used the complexity of the legal system and the complexity of the financial system, resorted to malpractices and taken advantage of the ignorance and the carelessness of, at times, defenseless people.

Our actions, Mr Speaker, Sir, have struck a balance between being compassionate and choking off credit to those who need it; between being humane and assisting deserving victims, and opening the floodgates to unjustified calls for assistance.
Mr Speaker, Sir, we need a soft heart to deal with such cases. But, we also require a hard head to make sure that the cure is not worse than the disease, that the statutory responses do not have unintended consequences that are far worse than the problems they seek to resolve in the first place.

Mr Bérenger: Mr Speaker, Sir, the hon. Vice-Prime Minister and Minister of Finance has given us the composition of the National Committee that finally decides on cases that will be assisted. Can I know from him how many times this National Committee has met and whether they interview applicants?

Dr. Sithanen: Yes, they have met on several occasions, Mr Speaker, Sir. In fact, there are three processes. When people submit their applications, they have set up a Technical Sub-Committee of the National Solidarity Fund. And the reason for this is to compile all the information and also to seek for additional information. Because, very often, they have to consult the banks, the notary, the Registrar-General in order to make sure that all the information are available, so that the Committee, that is the National Solidarity Fund, can make a considered decision on the merit or otherwise of the case. So, they meet very often, Mr Speaker, Sir. In fact, it is a very difficult process because, at times, they have to do some site visits - to go and actually visit these cases - and this is where they found that, in some cases, Mr Speaker, Sir, the person who has made the application did not even own the property that was seized. It is a very long process and they have a technical sub-committee that does a lot of work and then they present the file to the National Solidarity Fund - I have given the composition – and then they submit it for financial clearance. In all cases, whatever recommendations have been made by the National Solidarity Fund have been accepted by the Committee that is chaired by the Financial Secretary.
Mr Bérenger: Mr Speaker, Sir, can I know from the hon. Vice-Prime Minister and Minister of Finance whether that National Committee has received representations from Ministers, Members of the National Assembly or socio-cultural organisations and, if yes, whether they have considered same?

Dr. Sithanen: Mr Speaker, Sir, let me give the undertaking to this House. This is a highly emotional issue. This is a deeply passionate issue. There has been no intervention by any politician - I mean, on all sides of the House, Mr Speaker, Sir. Very often, even our friends from the Opposition, when they have a problem they do ask us whether we can help. In this particular case, there has been no intervention by any politician or any socio-cultural organisation. In fact, if you look at the composition of these three committees, especially the committee that actually receives, analyses, assesses, evaluates and makes recommendations, you can see that there is protection there. There are representatives of syndicats, of MACOSS and also people who are independent on this Committee. So, I can reassure the House and the hon. Leader of the Opposition that there has been no intervention at all. The reason, Mr Speaker, why we don’t want to publish the list is because we need to protect the privacy and the confidentiality of these people and we don’t want to stigmatise them.

Mr Bérenger: The Vice-Prime Minister and Minister of Finance has provided us with information on the detailed criteria used before decisions are reached and we’ll have to study that carefully. But, one criteria disturbs me. From what I heard and from what I know, the applicant has to prove that he already has a house to purchase or that he is repurchasing his own house that is lost. Can I know exactly how this criteria is applied, how does it work?
Dr. Sithanen: In fact, Mr Speaker, Sir, there is flexibility in the system as I indicated in my reply. First, if we think that it is very close to seizure we can help the person to negotiate in order to remove it from sale by levy. There are cases where it has already been seized and we help them to negotiate and to retrieve that property. In some cases, it is possible to reach an agreement while in other cases it is not possible to reach an agreement, Mr Speaker, Sir. There are cases where it is possible to reach an agreement to recuperate or to retrieve the House and this is where we give the Rs500,000 as a maximum amount so that they can either find a house or they can agree to construct a house. So, there is a flexible one. For instance, in the case of the person who was above 80 years old, under the normal circumstances she would not have been eligible, Mr Speaker, Sir. But, I commend the flexible attitude of the Committee and we say that we can’t give her some money, because she is 80 years old, she won’t be able to refund; but, at least, she has been granted a rent allowance and I did indicate the amount Mr Speaker, Sir.

((interruptions))

Rs1,250! You can see that there is a lot of compassion by the members of this Committee in order to help people who are deserving. But, as I said, we need to strike a balance between being compassionate, respecting the rights of lenders and also not opening the floodgate.

Mr Bérenger: Among the number of cases that have applied for assistance, can I know from the Vice-Prime Minister and Minister of Finance how many concerned cases that arose after 2007, after the proclamation of the Borrower Protection Act, and how these requests were treated?

Dr. Sithanen: In fact, there are three types of cases, Mr Speaker, Sir. There are cases that have applied after the proclamation of the law that falls within the ambit of that law. There is no such case here,
because in all of these cases, the Commissioner is doing his job. Because of the provisions of the law, and if someone does not pay after three months, the lender sends an information to the Commissioner, and the Commissioner calls the borrower and the lender and tries to reach a solution. It is easier to reach a solution when you have not paid for three months than to reach an agreement when you have not paid for ten years. In all cases that are governed by the provisions of the new legislation, there is no case here. The cases that have arisen, Mr Speaker, Sir, are the old ones, under the old legislation, that were prior to 2006. I was reading the intervention of the hon. Leader of the Opposition this morning and he mentioned this case and this is unfortunate. Those cases that have arisen after the proclamation, but were not governed by the present law, but are governed by the former one. I have not asked the specific question, but I did ask the officers. The majority of cases, Mr Speaker, Sir, relate to cases where the house was seized before December 2006. And the hon. Leader of the Opposition did mention in his intervention that, maybe, we need some flexibility, because some people were not able to report their case between August 2006 and December 2006; and that is precisely what we have done by the communiqué that we issued in February 2009 and as a result of this communiqué, we got approximately 215 new cases that are being assessed by the National Solidarity Fund Committee.

Mr Bérenger: I think the hon. Minister will agree with me that the fact that only Rs6 m. have been disbursed to date, and that only eleven requests have been satisfied is, in itself, not satisfactory. Can I know what is being done to expedite matters concerning the cases that have been under consideration for quite a while? Can I know also how many have benefited from the maximum of Rs500,000, and what is the lowest contribution received?
Dr. Sihanen: Mr Speaker, Sir, we have said that there are 37 cases that have been recommended and that have been found eligible. 16 of them have completed all the procedures and we have paid approximately Rs6 m. In the other cases which have already been approved and recommended but, as I indicated in the details that I gave for the 21 cases, some are in the process of recuperating their houses. Some are in the process of negotiating, others are constructing their house; there are Rs10 m. In fact, it is Rs16 m. that will be spent. It is on a case by case basis. There are some cases, Mr Speaker, Sir, where the amount that they owe is about Rs230,000. Obviously, we give them Rs230,000 and they get their house. I am willing to give - without putting the names, for the benefit of Members, Mr Speaker, Sir, they are case 1, case 2, case 3 and case 4 – in a spirit of transparency by just omitting the names, how much money they have received and what are the conditions that they have to satisfy.

With respect to the other cases, Mr Speaker, Sir, there are 215 new cases and these have to be assessed and this will take some time before the assessment. I have requested the Committee to expedite matters. It is not an easy task, Mr Speaker, Sir. We have requested them to do. When Mr Muthy came to see me, I have also made a proposal that there are some marginal cases that can be reviewed. What I have also suggested, Mr Speaker, Sir, while keeping the criteria that have been set up by the Committee, we can interpret some of these criteria in a flexible manner without changing the integrity of these criteria.

Mr Bérenger: Mr Speaker, Sir, I am disappointed to have heard the Minister say that Government does not propose to amend the Borrower Protection Act. Will not the hon. Minister agree with me that in spite of the good work done by the Commissioner, the law as it is, there still is the need to improve the law, especially, I understand, as far as better protecting those who are not aware of what they are signing, the
very complicated legal details in the documents which they are signing and, secondly, amending that clause referring to call on demand? Will he agree with me that it has been established by people like Attorney Mungroo, who made a very positive contribution in terms of further amendments, that in those two cases and others, there is need to further amend the law to better protect victims?

**Dr. Sithanen:** Mr Speaker, Sir, this is a sensitive issue. I don’t want to be controversial. I was reading the intervention of my hon. friend, Madan Dulloo on this particular issue about the constitutionality of this issue. We are to find a balance, Mr Speaker, Sir, between being compassionate, sending the right signal to these lawyers, notaries, *arpenteurs* who were crooked, but, at the same time, respecting the rights of lenders, and making sure that we don’t have unintended consequences in wanting to be good and people don’t get credit. We all know what is going to happen in America today or in Europe because of the sub-prime crisis. The banks have shifted completely to the other position. Now, it is practically impossible - forget about the poor, even the rich, it’s difficult for them to get loans. So, you always have to strike a balance. It seems to me, Mr Speaker, Sir, when we introduced the Borrower Protection Act, we strike a very fair balance.

To reply to the point that was made by the hon. Leader of the Opposition, there are specific provisions in the law that even if they don’t understand the language which is very technical that there is a responsibility on the lender to explain in very simple terms what are the contents of this contract and to make sure that people are fully aware of their responsibilities, of their rights and the obligations when they sign a loan agreement and I agree probably that we need to do more sensitization, more education, but this is a job that is being done by the Commissioner, Mr Speaker, Sir. I think we’ll have to let the National
Solidarity Fund Committee evaluate the 250 cases and then we’ll see basically how many people are eligible. Again, as I said, where do you strike this balance between being compassionate and not opening the floodgate? Let me inform the House that if we open the floodgate, there is a risk of 5,000 people also coming in. We have checked with what is happening at the MHC, the NHDC and also other institutions.

**Mr Bérenger:** Mr Speaker, can I put a last question before my final question, with your permission? I know that the hon. Minister of Finance is not responsible for the Police and that the Director of Public Prosecutions and the Judiciary are independent, but I am sure the hon. Minister will have been interested to find out whether any criminal proceedings have been instituted under the Money Lenders’ (Amendment) Act 2002 or under the new Borrower Protection Act 2007, whether there has been any criminal cases started?

**Dr. Sithanen:** Mr Speaker, Sir, I have discussed with the Chief Justice and I have told him what I think of the abuses that have been made by some Notaries, by some Attorneys and by some lawyers. We know the names of these people. Unfortunately, in many cases, there is no deposition made. This is a country where there is a rule of law. People have to make a complaint. Mr Speaker, Sir, we all know also what is the mafia that exists whenever there is a sale by levy. I have asked my officers to find a solution where this can take place without this mafia. Because we know when these poor people go there, they are not allowed to bid because on the eve, these people have met and they decide what is going to happen. One of the solutions that have been proposed by my officer – which I think is a fair solution – is whether the bidding can be done by the Internet so that people don’t have to be physically present and then you can put an end to the work of the mafia that meets on the evening of the previous day and then they decide A will go to B, B will
go to C. I have told the Chief Justice also, Mr Speaker, Sir, that we need to be seen to do something against these people who have abused of the ignorance of some of our compatriots.

Mr Dulloo: May I ask the hon. Minister of Finance, on the question of assistance to be granted and also on the one concerning the amendment to the law, whether he has received representations by a letter addressed to him and to the Prime Minister by representatives of those people, more particularly, from Mr Harish Boodhoo, that the assistance to be granted be reconsidered; instead of giving cash that Government should identify a piece of land, create a Fund and then enlist the support of private contractors at a reasonable price in order to build houses and hand over to the people. There have also been suggestions to amend Sections 13 and 16 of the Act, that is, to provide, first, interest capping pro rata the capital that has been given on loan to the person and, secondly, the question of insurance to back up the loan insurance instead of limiting to death and physical incapacity in such a situation, especially the financial crisis, in order to provide for payment under the insurance, default of instalments; first instalment being defaulted, the insurance should cover that.

Dr. Sithanen: Mr Speaker, Sir, with respect to the first question of the hon. Member, first, we have to ascertain the eligibility of the person who has made an application and once he or she satisfies this criteria, as I said, there is a flexible menu that is available, if he or she can retrieve his or her house, that would be done and there are many schemes under the NHDC and the MHC that are available and we can use that money as either a part payment or a total payment. So, these possibilities exist, there should not be any problem. I am in favour of having a flexible menu because there cannot be one size that fixes all.
With respect to the second one, in fact, Mr Speaker, Sir, one of the major changes incorporated in the Borrower Protection Act is that there cannot be compounded interest and the maximum interest per year is 5%. So, there is already a limit. In fact, the interest cannot be charged on the interest, it is limited to charging an interest on the capital only.

With respect to insurance, there is provision in the law and, in fact, increasingly most housing societies or financial institutions now are insisting that when you borrow money that you take an insurance in case that there are unforeseen contingencies. What does that insurance provide for? It depends on what you have paid. We all know that, Mr Speaker, Sir. This is like cars - *tous risques* or comprehensive. So, obviously it is left to the individual to decide on the set of menu, under what circumstances you want to be covered, the more coverage that you require, obviously, the higher the premium will be.

**Mr Dayal:** Can I ask the Vice-Prime Minister whether he can inform the House how many loan sharks – *casseurs* - have been arrested till to date?

**Dr. Sithanen:** I don’t have this answer, Mr Speaker, Sir. I hope there are many.

**Mr Ganoo:** The hon. Vice-Prime Minister should know that however progressive this law is, it applies only to credit agreements not exceeding Rs2 m. The hon. Minister has said that he does not envisage any amendment to the law, but to a Parliamentary Question asked by hon. Dayal last year, he said that there could be a case for raising the Rs2 m. threshold. Doesn’t the hon. Minister think that this should be a reasonable amendment in view of the inflation and price of property?

**Dr. Sithanen:** Mr Speaker, Sir, I think I did indicate when I made my summing-up; I think this threshold covers about 85% of the cases. In
fact, the hon. Prime Minister was just telling me that prices are coming down because of the impact of the global economic downturn. I think 85% of the cases are covered, Mr Speaker, Sir.

**Mr Von-Mally:** Can I know from the hon. Vice Prime Minister and Minister of Finance whether the said Committee has been to Rodrigues to help victims of sale by levy. And if so, can I know the number of victims that have received assistance?

**Dr. Sithanen:** I have not looked at the cases on Mauritius versus Rodrigues basis, but I will check with the committee and then I will inform the hon. Member. I don’t know, but these facilities are available wherever you live in Mauritius, so Rodrigues also is included.

**Mr Bérenger:** Clearly, we disagree on the speed at which cases have been treated. As I said only Rs6 m. have been spent. Secondly, I am uneasy concerning certain criteria that are being used and thirdly, we are in full disagreement whether further amendments should be brought to the Borrower Protection Act. Therefore to clear the air completely and move forward, would the hon. Minister be prepared to advise Government in favour of setting up a Select Committee where, of course, as Standing Orders provide, there would be a majority on Government side to consider the three things: firstly, how all this has been processed, the speed, whether it is satisfactory; secondly, whether there is need to review certain criteria and thirdly, whether there is need indeed to amend certain clauses of the Borrower Protection Act.

**Dr. Sithanen:** Mr Speaker, Sir, everything is relative in life. Compared to what existed before, this is a substantial improvement. Mr Speaker, Sir, as I indicated in my initial reply, when we came back to power the substantive issues were left unattended. We had to take the bull
by the horns and we had to address these issues, Mr Speaker, Sir. Now, we had acted. We don’t want any more committees, Mr Speaker, Sir. The committee that has been set up will evaluate the cases and those who are eligible will receive their money, Mr Speaker, Sir. As I have said, we have to act with compassion, but we have to act also with responsibility and, at the same time, we have to make sure that there are not unintended consequences of a good action that poor people are deprived and denied of access to credit by commercial banks because they believe that the risk reward analysis is not worth making the credit to the poor.

**Mr Speaker:** Time is over! The Table has been advised that P.Q. B/340 addressed to the hon. Prime Minister will now be replied by the hon. Minister of Labour, time permitting. Questions addressed to the hon. Prime Minister! Hon. Bhagwan!