

# Debate No. 19

## Private Notice Questions - 19 June 2003

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#### ORAL ANSWER TO QUESTION

#### HOUSING - GOVERNMENT POLICY

**The Leader of the Opposition (Dr. N. Ramgoolam)** (*By Private Notice*) asked the Minister of Local Government and Rodrigues and Minister of Housing and Lands whether, in regard to Government policy for the very low income groups and the homeless, he will state –

he reasons for the wide difference between the commitment to construct 5,000 Firinga-type houses over a period of 5 years and the construction of only 422 units after three years;

why not a single fully serviced site has been provided in spite of promises made since 2001;

whether in the light of the drop in the Lombard rate, Government will lower interest rates on loans taken by such groups.

**Mr Lesjongard:** Sir, I thank the hon. Leader of the Opposition for coming up with this PNQ which gives me the opportunity to clarify and elaborate on the housing policy of Government.

Government policy for the very low income groups and the homeless have been clearly spelt out in the speech made by the hon. Deputy Prime Minister and Minister of Finance in his Budget Speech delivered on 11 June 2001 for financial year 2001- 2002.

In fact, the Deputy Prime Minister and Minister of Finance announced that the Government will find a durable solution to the problem of housing for the very low income groups and the homeless. The Deputy Prime Minister and Minister of Finance also indicated that the housing policy of this Government would constitute a major shift in the housing strategy, and two new path-breaking initiatives would be introduced.

These new initiatives were the construction of Firinga-type core houses on a large scale for the very low income group and the homeless and the second would be the provision of fully serviced sites to the very low income households who prefer to build their own houses. A project value of 1.5 billion rupees (1.2 billion for housing and 300 million for site and services) was provided for these two schemes to be implemented over a period of five years starting with financial year 2001-2002.

Following the announcement of the policy decision, the Ministry in collaboration with the Trust Fund for Vulnerable Groups carried out a demand survey to assess the need for very low cost housing for households with an income of less than Rs5,000. monthly. Concurrently, the National Housing Development Company (NHDC) jointly with my Ministry carried out a site identification survey based as far as possible on the geographical spread of the demand.

This process needed the resources of the Survey and Planning Divisions of my Ministry as well as the technical input of the NHDC engineers to ascertain that the sites are within the limits of permitted development. The land required for the houses were either

acquired from individual owners or from the sugar estates in the context of the 1200A and 800A schemes.

This process proved to be a very lengthy one, and the lands were acquired on the basis of demand and availability of land in the regions which were identified in the demand survey.

The construction programme started in financial year 2001/02 with the construction of 60 units at Richelieu to house the victims of cyclone Hollanda. In financial year 2002/03, the construction of 514 housing units were implemented and is currently being delivered. These include the 422 houses which the hon. Leader of the Opposition has mentioned. During the same period the construction of a second batch of 569 units have started and is scheduled for delivery by the end of this year.

A third batch of 500 units is expected to start by October 2003, with delivery scheduled in early 2004. Another batch of 1,000 units will also be constructed during the same period.

Thus the construction and delivery of over 1500 housing units will be attained by early 2004.

Sites for the construction of 1,000 units have already been identified. Tenders for this project will be launched in early 2004 and completion is expected within eight months, i.e. August 2004.

It is clear, therefore, that in year 3 since the start of the construction, 2,500 housing units would have been completed. From a slow pick-up period, in the 1<sup>st</sup> and 2<sup>nd</sup> years, the exercise has now attained its cruising speed and I am confident that the Government will complete its commitment for the delivery of 5,000 housing units in year 5 of the programme, i.e. in 2006.

*(Interruptions)*

**Mr Speaker:** Order! Order, please!

**Mr Lesjongard:** This will be achieved with the construction of 1,500 housing units during financial year 2004-2005...

*(Interruptions)*

**Mr Speaker:** Order, please! Order! I am calling both sides to order. Hon. Bhagwan and hon. David, please!

**Mr Lesjongard:**...and another 1,000 units will be implemented in the financial year 2005/ 2006. In the financial year 2005/2006 tenders for the construction of another 1,000 housing units will be launched.

To summarise, Mr Speaker, Sir, the construction programme of the Government is as follows -

Financial Year 2001-2002	60 units
" " 2002-2003	1083 "
" " 2003-2004	1500 "
" " 2004-2005	1500 "
" " 2005-2006	1000 "
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Total	5143 units

The House will no doubt appreciate that Government has stood by its commitments in the housing sector and its housing programme will not only be surpassed, but may also be completed ahead of schedule.

Over and above the housing programme for the low-income groups, the Government is also implementing the construction of around 1,500 housing units for low and middle-income households. Thus, the housing stock of the Government by the end of year 2006 would have reached around 6,500.

As at to date, the Government housing stock for low-income families stands at 19,238 housing units spread over 177 ex-CHA Housing Estates. This figure will be increased by 8,142 housing units since the creation of the NHDC.

For those low-income families who want to build their own houses and who are eligible for a loan, Government has put at their disposal the sites and services scheme.

The sites and services scheme is the public equivalent of a private sector morcellement and provided with all infrastructural services such as roads, drains, water supply and electricity. In this project, State Land of an extent of about 5 perches would be leased for a sixty-year period to the beneficiaries.

Under this scheme a demand survey was again carried out in collaboration with the Ministry of Social Security which started in June 2002. Approximately 3,700 applications were received.

Eight Sites have so far been identified at (i) Albion, (ii) Bambous, (iii) Camp le Vieux, (iv) Piton, (v) Bel Etang, (vi) St Pierre, (vii) Palma, (viii) L'Unité (Camp de Masque). Out of these, infrastructural works have either been or are in the process of being completed on four sites namely: (a) Bambous, (b) Piton, (c) Camp Levieux and (d) St Pierre. It is proposed to deliver 317 lots by the end of July this year.

Another 300 serviced plots are programmed for development in the forthcoming financial year.

The screening and interviews of a first batch of applications is currently under way, and delivery of the plots will be made shortly.

I need to highlight that under this scheme the constructions will have to conform with prototype designs provided by MRC and MHC, or they may construct according to their own designs after seeking clearance from the relevant authorities.

Mr. Speaker Sir, in respect of part (c) of the question, I wish to inform the House that under the Government Sponsored Housing Loan Scheme for the low and very low income groups, mortgage loans is at a fixed interest rates of 6.5% per annum for the first five years, 8% per annum for the next five years and at 10% per annum for the remaining period of the mortgage loan. Loan repayments may go up to 25 years. Additionally, the low and very low income groups benefit from an upfront grant of Rs30,000 on the sale price of an NHDC low cost housing unit.

Mauritius Housing Company (MHC) too provides Government Sponsored Housing Loans, on the same terms, to low and very low income groups who borrow to build a housing unit on their own.

The House will certainly note that the scheme is a highly subsidised one. Since October 2000 to date, a total amount of Rs390 m. has been disbursed by Government to meet the cost of interest subsidy and grant under this scheme. Government bears the difference between the cost of funds and the very low interest rates at which the funds are lent to the low and very low-income beneficiaries. There is as such no correlation between the variable Lombard rate and the fixed rates at which the loans are made. Should the Lombard rate decline to a level resulting into cost of funds falling below 6.5% p.a., then MHC, NHDC and Government will have to re-examine the scheme and decide

on the appropriate interest structure with a view to continue assisting the low and very low income groups.

Mr Speaker Sir, as the House may be aware, the Government Sponsored Loan used to be at the very low fixed interest rate of 6.5% per annum over the whole life of the Loan. The whole interest rate structure of this loan scheme was changed to 6.5% per annum for the first five years, 8.5% per annum for the next five years and 10% per annum for the remaining period of the mortgage loan in September 1996 following the Budget Speech 1996-1997 delivered by the then Minister of Finance on 31 May 1996.

Mr Speaker Sir, I quote from paragraph 91 of his Budget Speech -

"With subsidised interest rate well below the market rate, mortgage loans from MHC Ltd, in particular those under the Government Sponsored Loan Scheme which carries a subsidised interest rate of 6.5% and outright cash grant of Rs30,000 have proved to be extremely generous (...). This kind of rip-off cannot continue and we fully expect MHC Ltd. to take necessary corrective measures".

What the then Minister of Finance considered as a rip-off is now being proposed by the hon. Leader of the Opposition.

Mr Speaker Sir, the Firinga-type housing units are to meet the housing needs of the very low income groups. For every hundred rupees spent on such a unit, Government contributes over sixty-five rupees. There cannot be better evidence of Government's commitment to promote social justice.

Mr Speaker Sir, we have always stated our commitment as a caring Government. This is a clear illustration if it is still required between the position of the Opposition and that of the Government.

**Dr. Ramgoolam:** Mr Speaker, Sir, I hope you will give me some leeway, because the Minister has taken 17 minutes just for *l'effet d'annonce* and nothing else. And when he talks of the Minister of Finance, the Minister fails to say who was the Minister of Housing then. It was hon. Ganoo, if I am not mistaken. So, don't talk as if you were not there. You were also there.

*(Interruptions)*

Yes, but it was hon. Ganoo who was the Minister and it was at his request probably that this was done.

*(Interruptions)*

**Mr Speaker:** Order, please! Hon Boolell!

**Dr. Ramgoolam:** Since he quoted extensively, let me just remind him of what was said in the first Budget Speech of the Minister of Finance. He said -

"We are coming forward with two new path-breaking initiatives as you said. The first one would be the construction of Firinga-type core houses on a large scale for very low income and the homeless."

*(Interruptions)*

Yes, but I want to remind him that he said he is going to put 5,000 housing units of this type over a period of five years and he said...

*(Interruptions)*

Yes, this is the first bit. I have to quote him so as to remind him. I won't quote the second bit. I will quote the first bit. One year afterwards, I am going to quote from what he said at paragraph 197. He said -

unched last year two landmark initiatives to meet the housing requirements, namely the construction of 5,000 Firinga type core houses over a period of five years."

And then he says -

"Works on a first batch on will be completed in December."

One year afterwards.

*(Interruptions)*

He didn't quote that. He was selective in his quoting. He did not say that after one year, after this path-breaking initiative, the first 1,000 houses that were supposed to have been built, they say now it will be built next year. All right, we give them another year; and at paragraph 146 this year this is what he said.

**Mr Speaker:** Can you put your question, hon. Leader of the Opposition?

**Dr. Ramgoolam:** I have to quote him to be able to tell him.

*(Interruptions)*

**Mr Speaker:** Order!

**Dr. Ramgoolam:** First of all, he had said he would construct on a large scale. We agree on that. 1,000 by one year. Now he says 524. I am asking him why at the end of the third year, only 422 units have already been completed. I am quoting from the speech of the Minister of Finance. Only 422 have been completed. Why this wide difference? Instead of a thousand per year, he has only 422 units on the third year.

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lesjongard:** Mr Speaker, Sir, I have explained that it took us some time to start the constructions.

*(Interruptions)*

**Mr Speaker:** Order, please! Hon. David!

**Mr Lesjongard:** I have given the programme for the construction of the Firinga-type starting with the year 2001 up to 2006; and I have said that in the financial year 2002/2003, we are going to deliver 1,083 housing units. I have given the time frame also. But since we are quoting, Mr Speaker, Sir, and it is budget time, let me take from the Budget Speech...

*(Interruptions)*

**Mr Speaker:** Order, please!

**Mr Lesjongard:** I'll reply. When the then Minister Faugoo intervened on Budget Speech in 1999, do you know what he had to say?

*(Interruptions)*

**Mr Speaker:** Order! Hon. Boolell, I don't want any comment. If you have any question, you will have the opportunity to put same later on. And on this side, hon. Paya, I won't tolerate any interruption.

**Mr Lesjongard:** Let me quote Mr Speaker, Sir -

"To cater for the actual 22,500 housing demands, it does not necessarily mean that Government, itself, has to construct these units. Housing is a major problem and

Government alone cannot shoulder the full burden of the resources required to ensure adequate shelters to one and all, Mr Deputy Speaker, Sir.

The whole community must participate in the exercise through greater national solidarity. I should like to point out here that Government is not prepared to adopt a spoon-feeding policy which will lead families to become mere parasites."

*(Interruptions)*

And he said -

"We believe in giving the rod to the one who is in need and let that person stand on his own feet."

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lesjongard:** I quote -

"As proposed in the last Budget of 1998/99, the construction of 1,000 housing units is starting soon and we have already given the letters of award. So many questions have been put, Sir, as if the announcement of a project means the completion of a project. There are many formalities. We have to follow procedures."

*(Interruptions)*

**Mr Lesjongard:** Then we come to the former Minister of Housing, Mr Sunassee...

*(Interruptions)*

Let me reply! May I quote, Mr Speaker, Sir?

*(Interruptions)*

**Dr. David:** Mr Speaker, Sir, on a point of order...

**Mr Speaker:** Hon. Minister, there is a point of order. What is your point of order, hon. David?

**Dr. David:** Mr Speaker, Sir, this is an abuse of Parliament.

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lesjongard:** Mr Speaker, Sir, on the housing front, if one has to look at the record of the Government, we are talking of injection in the sector of more than Rs1.2 billion. We are talking of housing schemes. I wouldn't say in the pipelines, because there are a thousand units already under construction. In fact, the contractor is already on site.

*(Interruptions)*

Mr Speaker, Sir, I have figures of the number of houses...

*(Interruptions)*

**Mr Speaker:** Order, please!

**Mr Lesjongard:** ... constructed under the previous regime, it amounts to 77 housing units at 16 eme Mile and that was only for relocation of people in view of the construction of Midlands Dam and 80 housing units at Cité Atlee. That's all, Mr Speaker, Sir, in 4½ years!

**Dr. Ramgoolam:** Mr Speaker, Sir, clearly that was the point of order that hon. Dr. David was going to make. I know what you were going to say, you have no control on the answer. But, clearly, the hon. Minister is trying to waste time, because *cela saute aux yeux*, instead of after three years, on an average....

*(Interruptions)*

You judge by performance! If you are going to build 5,000 houses, so you expect 1,000 houses per year. Instead of 3,000 this year, we have 422. Now, even if you add the 670 that I thought the hon. Minister mentioned, plus I think he mentioned another 82, it comes to 1,174, not 3,000. They have failed miserably. *Cela saute aux yeux! De belles paroles, des promesses et rien dans les faits! Il n'a pu rien faire!*

Does he not agree that, in fact, in reality the Minister has not even achieved 1/3 of his target so far? Does he believe that he will achieve his full target in another two years' time?

*(Interruptions)*

**Mr Speaker:** Order! Order, please!

**Mr Lesjongard:** The answer is yes, Mr Speaker, Sir. I have given the programme of work up to 2006. What the hon. Leader of the Opposition is not saying, Mr Speaker, Sir, is that we are going to build....

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lesjongard:** And, we are going to build those houses *parce qu'on tient nos promesses*. What he is not saying, Mr Speaker, Sir, is why we are facing these problems. Again, I have figures in my possession....

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lesjongard:** These problems arise from the fact that it is related to squatters and figures tell us, Mr Speaker, Sir,...

*(Interruptions)*

**Mr Speaker:** Order! I can't hear what the hon. Minister is saying. Please, keep silent!

**Mr Lesjongard:** Mr Speaker, Sir, figures tell us...

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lesjongard:** ... for all the nine districts of the country, let me give you an example. In 1998, we had an additional of 245 squatters in the district of Flacq only, Mr Speaker, Sir.

*(Interruptions)*

And, just before the election of September 2000....

*(Interruptions)*

**Mr Speaker:** Order!

**Dr. Ramgoolam:** This is what we call '*redresse pays!*' You are elected to govern, not to talk about the past! You govern and fail miserably!

(Interruptions)

422 houses in three years! No action, just words, words, words!

(Interruptions)

I want to remind the hon. Minister that the promises that have been made to the poor, does he not feel terrible that they have only achieved even less than 1/3 of what was supposed to achieve?

(Interruptions)

**Mr Lesjongard:** *M. le président, j'espère que j'aurais l'occasion de parler. C'est un fait que la vérité fait mal, M. le président.* We have achieved 1/3, but they didn't build a single house for the poor, Mr Speaker, Sir!

(Interruptions)

Not a single house for the poor! We have achieved the construction of 1083 houses.

(Interruptions)

**Mr Speaker:** Order, please! Hon. Baloomoody, please!

**Dr. Ramgoolam:** Mr Speaker, Sir, by their reactions we can see how it hurts.

(Interruptions)

From their reactions, you see how it hurts, because they have failed! Every year, in the Budget Speech, it is said "I'll construct, I'll construct, I'll construct", but nothing so far, only 422 houses instead of the 3,000 that we should expect. Does he not accept that it *saute aux yeux* when it comes to Treasury Building and Réduit, then you spend, then you achieve, then you make it quickly - then you overspend - another Rs60 m. for Treasury Building and an extra Rs12 m. for Le Reduit!

(Interruptions)

**Mr Speaker:** Order!

**Mr Lejongard:** Mr Speaker, Sir, I can't reply for the Treasury Building, I reply for the housing sector. Do you know what hurts, Mr Speaker, Sir? For the dockers' flat, they shall be relocated to a new housing estate...

(Interruptions)

Richelieu! We inherited from them! The construction of 60 housing units is over and the people are there already.

With regard to La Pipe, if I can quote, Mr Speaker, Sir, from the comments of the *Président de Gestion de la Cité Anouschka à 16eme Mile*. And, this is the way they relocated people.

I quote -

*"Ces maisonnettes de deux chambres, qui nous coûtent à peu près Rs50,000, après avoir déduit la subvention du gouvernement par mois, ne sont que des paniers percés. Nous sommes tous devant un problème de fuite d'eau à l'arrivée des pluies."*

(Interruptions)

*"Nou la case mari coulé!"*

(Interruptions )

**Mr Speaker:** Order!

**Mr Lesjongard:** He goes on to say -

*"Narien pas bon! On a opté pour un site qui nous coupe de tout. Manque de contact social, sans même penser de mettre en chantier des infrastructures sociales."*

These are the words of the person who is in charge of Cité Anouschka. When I mentioned the relocation of the dockers' flat at Cité Florida, relocation of the people at Cité Richelieu, we are not only building houses; we are providing social amenities to these people, Mr Speaker, Sir.

**Dr. Ramgoolam:** May I remind him of the houses that hon. Cuttaree made and are still standing there, without nobody being able to get into that? Maybe, I should remind him of that. But, can I ask him about the serviced plots, because we are going to run out of time. Not one serviced plot yet ready?

**Mr Lesjongard:** Mr Speaker, Sir, I have mentioned in my reply that the serviced plots are ready and will be delivered shortly.

**Mr Dulloo:** Right from the outset, the mandate of this Government, it was said that those sites would be ready and, at the same time, there would be a review of incentives schemes to increase private sector investment in those housing projects? Now, the question is whether the Minister referred to the rip-off under the policy of the MMM Minister that was in charge of housing then? May I ask him, therefore, whether the interest rates structure for housing loans should not be adjusted *pro rata*, since the reduction of the Lombard rate, which was then 13%, has gone down? Should not this be adjusted *pro rata*?

**Mr Lesjongard:** Mr Speaker, Sir, I have said that in my reply. Should the Lombard rate decline to a level resulting into cost of funds falling below 6.5%, then Government, MHC and NHDC will have to re-examine the scheme and decide on the appropriate interest structure.

*(Interruptions)*

**Mr Speaker:** Order! You have put a question, listen to the answer.

**Mr Lesjongard:** Since the hon. Member talked of private investment in the housing sector, this is in relation with the housing development certificate that we are reviewing. But, let me inform the hon. Member that during the period 1995 to 2000, only two private investors invested in house construction. One was at La Caverne, Vacoas, 107 units; and, the other one was at Phoenix for 39 units, that is, only 146 units during 4½ years.

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lesjongard:** ....whereas if you see the list prior to 1995, we had some 24 ...

*(Interruptions)*

I said we are reviewing the housing development certificate, Mr Speaker, Sir.

**Dr. Boolell:** Mr Speaker, Sir, is the Minister aware that his Government is a Government of deceit and lie. When I refer to a promise made by hon. Lauthan.

**The Deputy Prime Minister:** Mr Speaker, Sir, this is going against your ruling. You have said that no comments should be offered. These are insulting comments which are challenging your ruling, Mr Speaker. We would request him to withdraw that comment.

**Dr. Boolell:** Mr Speaker, Sir, I am not challenging your ruling.

**Mr Speaker:** It is true that I have said that there should not be comments. I have also said that I allow members to lay some basis for questions. I do not think that this is necessary for your forthcoming question. As regards whether he is accusing the Government of deceit, it is against the Government and it is not against the order. If it were made against a Member then it would have been different.

**Dr. Boolell:** Now, I will make my comment against a specific Minister, Minister Lauthan who promised that 1,000 houses of the Firinga type would be delivered in a month's time in reply to a question put by hon. Armance.

*(Interruptions)*

It is written here.

**Mr Speaker:** Hon. Boolell, take your seat or I'll order you out of the House.

*(Interruptions)*

**Dr. Boolell:** I bow to your ruling, but not to the Minister's ruling.

**Mr Speaker:** I know.

**Dr. Boolell:** I thank you very much.

**Mr Speaker:** Next time, when I am on my feet and if you keep standing, you will have to leave the House for a long time, I am sure.

**Mr Dulloo:** Sir, in the last budget there was a provision of Rs120 m for very low cost housing infrastructure, only Rs15 m have been spent; loan to the NHDC Rs120 m, only Rs65 m have been spent. Can he explain why this short spending even for the Trust Fund for the Vulnerable Groups and action for poverty alleviation programme, less than 50% has been spent for these particular problems, for those low cost housing, why?

**Mr Speaker:** Hon. Dulloo, you cannot make a speech.

**Mr Lesjongard:** Mr Speaker, Sir, I have already explained. I have given a lengthy explanation why the delay and what is the targeted period for the construction of those housing units. I am not going to read the answer again, Mr Speaker, Sir.

**Mr Speaker:** Time is up. Next item.

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**DR/D19/P02/1**

**(PNQ CONT'D)**

**(MR LESJONGARD)**

The sites and services scheme is the public equivalent of a private sector morcellement and provided with all infrastructural services such as roads, drains, water supply and electricity. In this project, State Land of an extent of about 5 perches would be leased for a sixty-year period to the beneficiaries.

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Eight Sites have so far been identified at (i) Albion, (ii) Bambous, (iii) Camp le Vieux, (iv) Piton, (v) Bel Etang, (vi) St Pierre, (vii) Palma, (viii) L'Unité (Camp de Masque). Out of these, infrastructural works have either been or are in the process of being completed on

four sites namely: (a) Bambous, (b) Piton, (c) Camp Levieux and (d) St Pierre. It is proposed to deliver 317 lots by the end of July this year.

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I need to highlight that under this scheme the constructions will have to conform with prototype designs provided by MRC and MHC, or they may construct according to their own designs after seeking clearance from the relevant authorities.

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**DR/D19/P02/2**

**(PNQ CONT'D)**

**(MR LESJONGARD)**

Mauritius Housing Company (MHC) too provides Government Sponsored Housing Loans, on the same terms, to low and very low income groups who borrow to build a housing unit on their own.

The House will certainly note that the scheme is a highly subsidised one. Since October 2000 to date, a total amount of Rs390 m. has been disbursed by Government to meet the cost of interest subsidy and grant under this scheme. Government bears the difference between the cost of funds and the very low interest rates at which the funds are lent to the low and very low income beneficiaries. There is as such no correlation between the variable Lombard rate and the fixed rates at which the loans are made. Should the Lombard rate decline to a level resulting into cost of funds falling below 6.5% p.a., then MHC, NHDC and Government will have to re-examine the scheme and decide on the appropriate interest structure with a view to continue assisting the low and very low income groups.

Mr Speaker Sir, as the House may be aware, the Government Sponsored Loan used to be at the very low fixed interest rate of 6.5% per annum over the whole life of the Loan. The whole interest rate structure of this loan scheme was changed to 6.5% per annum for the first five years, 8.5% per annum for the next five years and 10% per annum for the remaining period of the mortgage loan in September 1996 following the Budget Speech 1996-1997 delivered by the then Minister of Finance on 31 May 1996.

Mr Speaker Sir, I quote from paragraph 91 of his Budget Speech -

*"With subsidised interest rate well below the market rate, mortgage loans from MHC Ltd, in particular those under the Government Sponsored Loan Scheme which carries a subsidised interest rate of 6.5% and outright cash grant of Rs30,000 have proved to be extremely generous ..... This kind of rip-off cannot continue and we fully expect MHC Ltd. to take necessary corrective measures".*

What the then Minister of Finance considered as a rip-off is now being proposed by the hon. Leader of the Opposition.

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**DR/D19/P02/3**

**(PNQ CONT'D)**

(MR LESJONGARD)

Mr Speaker Sir, the Firinga-type housing units are to meet the housing needs of the very low income groups. For every hundred rupees spent on such a unit, Government contributes over sixty-five rupees. There cannot be better evidence of Government's commitment to promote social justice.

Mr Speaker Sir, we have always stated our commitment as a caring Government. This is a clear illustration if it is still required between the position of the Opposition and that of the Government.

**Dr. Ramgoolam:** Mr Speaker, Sir, I hope you will give me some leeway, because the Minister has taken 17 minutes just for *l'effet d'annonce* and nothing else. And when he talks of the Minister of Finance, the Minister fails to say who was the Minister of Housing then. It was hon. Ganoo, if I am not mistaken. So, don't talk as if you were not there. You were also there.

*(Interruptions)*

Yes, but it was hon. Ganoo who was the Minister and it was at his request probably that this was done.

*(Interruptions)*

**Mr Speaker:** Order, please! Hon Boolell!

**Dr. Ramgoolam:** Since he quoted extensively, let me just remind him of what was said in the first Budget Speech of the Minister of Finance. He said -

"We are coming forward with two new path-breaking initiatives as you said. The first one would be the construction of Firinga-type core houses on a large scale for very low income and the homeless."

*(Interruptions)*

Yes, but I want to remind him that he said he is going to put 5,000 housing units of this type over a period of five years and he said...

*(Interruptions)*

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**DR/D19/P02/4**

**(PNQ CONT'D)**

Yes, this is the first bit. I have to quote him so as to remind him. I won't quote the second bit. I will quote the first bit. One year afterwards, I am going to quote from what he said at paragraph 197. He said -

announced last year two landmark initiatives to meet the housing requirements, namely the construction of 5,000 Firinga type core houses over a period of five years."

And then he says -

"Works on a first batch on will be completed in December."

One year afterwards.

*(Interruptions)*

He didn't quote that. He was selective in his quoting. He did not say that after one year, after this path-breaking initiative, the first 1,000 houses that were supposed to have been built, they say now it will be built next year. All right, we give them another year; and at paragraph 146 this year this is what he said.

**Mr Speaker:** Can you put your question, hon. Leader of the Opposition?

**Dr. Ramgoolam:** I have to quote him to be able to tell him.

*(Interruptions)*

**Mr Speaker:** Order!

**Dr. Ramgoolam:** First of all, he had said he would construct on a large scale. We agree on that. 1,000 by one year. Now he says 524. I am asking him why at the end of the third year, only 422 units have already been completed. I am quoting from the speech of the Minister of Finance. Only 422 have been completed. Why this wide difference? Instead of a thousand per year, he has only 422 units on the third year.

*(Interruptions)*

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**DR/D19/P02/5**

**(PNQ CONT'D)**

**Mr Speaker:** Order!

**Mr Lesjongard:** Mr Speaker, Sir, I have explained that it took us some time to start the constructions.

*(Interruptions)*

**Mr Speaker:** Order, please! Hon. David!

**Mr Lesjongard:** I have given the programme for the construction of the Firinga-type starting with the year 2001 up to 2006; and I have said that in the financial year 2002/2003, we are going to deliver 1,083 housing units. I have given the time frame also. But since we are quoting, Mr Speaker, Sir, and it is budget time, let me take from the Budget Speech...

*(Interruptions)*

**Mr Speaker:** Order, please!

**Mr Lesjongard:** I'll reply. When the then Minister Faugoo intervened on Budget Speech in 1999, do you know what he had to say?

*(Interruptions)*

**Mr Speaker:** Order! Hon. Boolell, I don't want any comment. If you have any question, you will have the opportunity to put same later on. And on this side, hon. Paya, I won't tolerate any interruption.

**Mr Lesjongard:** Let me quote Mr Speaker, Sir -

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**DR/D19/P02/6**

**(PNQ CONT'D)**

"To cater for the actual 22,500 housing demands, it does not necessarily mean that Government, itself, has to construct these units. Housing is a major problem and Government alone cannot shoulder the full burden of the resources required to ensure adequate shelters to one and all, Mr Deputy Speaker, Sir.

The whole community must participate in the exercise through greater national solidarity. I should like to point out here that Government is not prepared to adopt a spoon-feeding policy which will lead families to become mere parasites."

*(Interruptions)*

D19/P03/mt/1

**UNREVISED**

**(PNQ) contd.**

And he said -

"We believe in giving the rod to the one who is in need and let that person stand on his own feet."

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lesjongard:** I quote -

"As proposed in the last Budget of 1998/99, the construction of 1,000 housing units is starting soon and we have already given the letters of award. So many questions have been put, Sir, as if the announcement of a project means the completion of a project. There are many formalities. We have to follow procedures."

*(Interruptions)*

**Mr Lesjongard:** Then we come to the former Minister of Housing, Mr Sunassee...

*(Interruptions)*

Let me reply! May I quote, Mr Speaker, Sir?

*(Interruptions)*

**Dr. David:** Mr Speaker, Sir, on a point of order....

**Mr Speaker:** Hon. Minister, there is a point of order. What is your point of order, hon. David?

**Dr. David:** Mr Speaker, Sir, this is an abuse of Parliament.

*(Interruptions)*

**Mr Speaker:** Order!

D19/P03/mt/2

**UNREVISED**

**(PNQ) CONTD.**

**Mr Lesjongard:** Mr Speaker, Sir, on the housing front, if one has to look at the record of the Government, we are talking of injection in the sector of more than Rs1.2 billion. We are talking of housing schemes. I wouldn't say in the pipelines, because there are a thousand units already under construction. In fact, the contractor is already on site.

(Interruptions)

Mr Speaker, Sir, I have figures of the number of houses....

(Interruptions)

**Mr Speaker:** Order, please!

**Mr Lesjongard:** ... constructed under the previous regime, it amounts to 77 housing units at 16 eme Mile and that was only for relocation of people in view of the construction of Midlands Dam and 80 housing units at Cité Atlee. That's all, Mr Speaker, Sir, in 4½ years!

**Dr. Ramgoolam:** Mr Speaker, Sir, clearly that was the point of order that hon. Dr. David was going to make. I know what you were going to say, you have no control on the answer. But, clearly, the hon. Minister is trying to waste time, because *cela saute aux yeux*, instead of after three years, on an average.....

(Interruptions)

You judge by performance! If you are going to build 5,000 houses, so you expect 1,000 houses per year. Instead of 3,000 this year, we have 422. Now, even if you add the 670 that I thought the hon. Minister mentioned, plus I think he mentioned another 82, it comes to 1,174, not 3,000. They have failed miserably. *Cela saute aux yeux! De belles paroles, des promesses et rien dans les faits! Il n'a pu rien faire!*

Does he not agree that, in fact, in reality the Minister has not even achieved 1/3 of his target so far? Does he believe that he will achieve his full target in another two years' time?

(Interruptions)

**Mr Speaker:** Order! Order, please!

D19/p03/MT/3

**UNREVISED**

**(PNQ) CONTD.**

**Mr Lesjongard:** The answer is yes, Mr Speaker, Sir. I have given the programme of work up to 2006. What the hon. Leader of the Opposition is not saying, Mr Speaker, Sir, is that we are going to build....

(Interruptions)

**Mr Speaker:** Order!

**Mr Lesjongard:** And, we are going to build those houses *parce qu'on tient nos promesses*. What he is not saying, Mr Speaker, Sir, is why we are facing these problems. Again, I have figures in my possession....

(Interruptions)

**Mr Speaker:** Order!

**Mr Lesjongard:** These problems arise from the fact that it is related to squatters and figures tell us, Mr Speaker, Sir,...

(Interruptions)

**Mr Speaker:** Order! I can't hear what the hon. Minister is saying. Please, keep silent!

**Mr Lesjongard:** Mr Speaker, Sir, figures tell us...

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lesjongard:** ... for all the nine districts of the country, let me give you an example. In 1998, we had an additional of 245 squatters in the district of Flacq only , Mr Speaker, Sir.

*(Interruptions)*

And, just before the election of September 2000....

*(Interruptions)*

**Mr Speaker:** Order!

D19/P03/mt/4

**UNREVISED**

**(PNQ) contd.**

**Dr. Ramgoolam:** This is what we call '*redresse pays*'! You are elected to govern, not to talk about the past! You govern and fail miserably!

*(Interruptions)*

422 houses in three years! No action, just words, words, words!

*(Interruptions)*

I want to remind the hon. Minister that the promises that have been made to the poor, does he not feel terrible that they have only achieved even less than 1/3 of what was supposed to achieve?

*(Interruptions)*

**Mr Lesjongard:** *M. le président, j'espère que j'aurais l'occasion de parler. C'est un fait que la vérité fait mal, M. le président.* We have achieved 1/3, but they didn't build a single house for the poor, Mr Speaker, Sir!

*(Interruptions)*

Not a single house for the poor! We have achieved the construction of 1083 houses.

*(Interruptions)*

**Mr Speaker:** Order, please! Hon. Baloomoody, please!

**Dr. Ramgoolam:** Mr Speaker, Sir, by their reactions we can see how it hurts.

*(Interruptions)*

From their reactions, you see how it hurts, because they have failed! Every year, in the Budget Speech, it is said "I'll construct, I'll construct, I'll construct", but nothing so far, only 422 houses instead of the 3,000 that we should expect.

D19/P03/mt/5

**UNREVISED**

**(PNQ) contd.**

**(Dr. Ramgoolam)** Does he not accept that it *saute aux yeux* when it comes to Treasury Building and Réduit, then you spend, then you achieve, then you make it quickly - then

you overspend - another Rs60 m. for Treasury Building and an extra Rs12 m. for Le Reduit!

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Lejongard:** Mr Speaker, Sir, I can't reply for the Treasury Building, I reply for the housing sector. Do you know what hurts, Mr Speaker, Sir? For the dockers' flat, they shall be relocated to a new housing estate....

*(Interruptions)*

Richelieu! We inherited from them! The construction of 60 housing units is over and the people are there already.

With regard to La Pipe, if I can quote, Mr Speaker, Sir, from the comments of the *Président de Gestion de la Cité Anouschka à 16eme Mile*. And, this is the way they relocated people.

I quote -

*"Ces maisonnettes de deux chambres, qui nous coûtent à peu près Rs50,000, après avoir déduit la subvention du gouvernement par mois, ne sont que des paniers percés. Nous sommes tous devant un problème de fuite d'eau à l'arrivée des pluies."*

*(Interruptions)*

*"Nou la case mari coulé!"*

*(Interruptions )*

**Mr Speaker:** Order!

D19/P03/mt/6

**UNREVISED**

**(PNQ) contd.**

**Mr Lesjongard:** He goes on to say -

*"Narien pas bon! On a opté pour un site qui nous coupe de tout. Manque de contact social, sans même penser de mettre en chantier des infrastructures sociales."*

These are the words of the person who is in charge of Cité Anouschka. When I mentioned the relocation of the dockers' flat at Cité Florida, relocation of the people at Cité Richelieu, we are not only building houses; we are providing social amenities to these people, Mr Speaker, Sir.

**Dr. Ramgoolam:** May I remind him of the houses that hon. Cuttaree made and are still standing there, without nobody being able to get into that? Maybe, I should remind him of that. But, can I ask him about the serviced plots, because we are going to run out of time. Not one serviced plot yet ready?

**Mr Lesjongard:** Mr Speaker, Sir, I have mentioned in my reply that the serviced plots are ready and will be delivered shortly.

**Mr Dulloo:** Right from the outset, the mandate of this Government, it was said that those sites would be ready and, at the same time, there would be a review of incentives schemes to increase private sector investment in those housing projects? Now, the question is whether the Minister referred to the rip-off under the policy of the MMM Minister that was in charge of housing then? May I ask him, therefore, whether the interest rates structure for housing loans should not be adjusted *pro rata*, since the

reduction of the Lombard rate, which was then 13%, has gone down? Should not this be adjusted *pro rata*?

D19/P03/mt/7

**UNREVISED**

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**Mr Lesjongard:** Mr Speaker, Sir, I have said that in my reply. Should the Lombard rate decline to a level resulting into cost of funds falling below 6.5%, then Government, MHC and NHDC will have to re-examine the scheme and decide on the appropriate interest structure.

*(Interruptions)*

**Mr Speaker:** Order! You have put a question, listen to the answer.

**Mr Lesjongard:** Since the hon. Member talked of private investment in the housing sector, this is in relation with the housing development certificate that we are reviewing. But, let me inform the hon. Member that during the period 1995 to 2000, only two private investors invested in house construction. One was at La Caverne, Vacoas, 107 units; and, the other one was at Phoenix for 39 units, that is, only 146 units during 4½ years.

*(Interruptions)*

**Mr Speaker:** Order!

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D19/P03/mt/1

**UNREVISED**

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D19/p03/MT/3

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D19/P03/mt/4

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D19/P03/mt/6

**UNREVISED**

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*(Interruptions)*

**Mr Speaker:** Order!

.../...

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**Mr Lesjongard:** .....whereas if you see the list prior to 1995, we had some 24  
.....

*(Interruptions)*

I said we are reviewing the housing development certificate, Mr Speaker, Sir.

**Dr. Boolell:** Mr Speaker, Sir, is the Minister aware that his Government is a Government of deceit and lie. When I refer to a promise made by hon. Lauthan.

**The Deputy Prime Minister:** Mr Speaker, Sir, this is going against your ruling. You have said that no comments should be offered. These are insulting comments which are challenging your ruling, Mr Speaker. We would request him to withdraw that comment.

**Dr. Boolell:** Mr Speaker, Sir, I am not challenging your ruling.

**Mr Speaker:** It is true that I have said that there should not be comments. I have also said that I allow members to lay some basis for questions. I do not think that this is necessary for your forthcoming question. As regards whether he is accusing the Government of deceit, it is against the Government and it is not against the order. If it were made against a Member then it would have been different.

**Dr. Boolell:** Now, I will make my comment against a specific Minister, Minister Lauthan who promised that 1,000 houses of the Firinga type would be delivered in a month's time in reply to a question put by hon. Armance.

*(Interruptions)*

It is written here.

**Mr Speaker:** Hon. Boolell, take your seat or I'll order you out of the House.

*(Interruptions)*

**Dr. Boolell:** I bow to your ruling, but not to Minister's ruling.

**Mr Speaker:** I know.

**Dr. Boolell:** I thank you very much.

**Mr Speaker:** Next time, when I am on my feet and if you keep standing, you will have to leave the House for a long time, I am sure.

**Mr Dulloo:** Sir, in the last budget there was a provision of Rs120 m for very low cost housing infrastructure, only Rs15 m have been spent; loan to the NHDC Rs120 m, only Rs65 m have been spent. Can he explain why this short spending even for the Trust Fund for the Vulnerable Groups and action for poverty alleviation programme, less than 50% has been spent for these particular problems, for those low cost housing, why?

**Mr Speaker:** Hon. Dulloo, you cannot make a speech.

**Mr Lesjongard:** Mr Speaker, Sir, I have already explained. I have given a lengthy explanation why the delay and what is the targeted period for the construction of those housing units. I am not going to read the answer again, Mr Speaker, Sir.

**Mr Speaker:** Time is up. Next item.