

Leave of Absence

Tuesday, August 02, 1994

SENATE

Tuesday, August 02, 1994

The Senate met at 1.30 p.m.

PRAYERS

[MR. VICE-PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. Vice-President: Hon. Senators, I have granted leave of absence to Sen. Prof. John Spence for the period July 31 to August 8, 1994. He is out of the country on university business.

I have also granted leave of absence to Sen. Michael Mansoor for the period August 01 to August 15, 1994 as he is out of the country.

SENATORS' APPOINTMENT

Mr. Vice-President: Hon. Senators, I also wish to advise that His Excellency the Acting President, has appointed Prof. Lawrence Wilson to be temporarily a Senator with effect from August 02, 1994 and continuing during the absence from Trinidad and Tobago of Sen. Prof. John Spence.

I wish to advise further that His Excellency the Acting President, has appointed Mr. Philip Marshall to be temporarily a Senator with effect from August 02, 1994 and continuing during the absence from Trinidad and Tobago of Sen. Michael Mansoor.

OATH OF ALLEGIANCE

Lawrence Wilson and Philip Marshall took and subscribed the Oath of Allegiance as required by law.

PAPER LAID

Report of the Auditor General on the public accounts of the Republic of Trinidad and Tobago for the year ended December 31, 1993 and on other selected audit activities. [*The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith)*]

ORAL ANSWER TO QUESTION

The following question stood on the Order Paper in the name of Sen. Martin Daly:

Oral Answer to Question
[SEN. DR. THE HON. L. SAITH]

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**Pride Project
(Financing)**

64. Could the Minister of Works and Transport state:

- (a) What sum of money has been allocated in the budget of the Ministry of Works for the works to be undertaken at the Piarco International Airport described by the Minister of Works and Transport in the Senate on July 05, 1994 in response to question No. 61?
- (b) When will the long-term financing for the Pride Project be put in place?

The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith):
Mr. Vice-President, unfortunately the answer to this question is not ready. I seek the leave of the Senate for a deferment of one week.

Question, by leave, deferred.

UNIVERSITY STUDENTS (GUARANTEE FUND) BILL

Order for second reading read.

The Minister of Finance and Minister of Tourism (Hon. Wendell Mottley):
Mr. Vice-President, I beg to move,

That a Bill to establish a Guarantee Fund for the purpose of facilitating certain loans to University students, and for matters incidental thereto, be now read a second time.

The matter before this honourable Senate today is the University Students Loan (Guarantee Fund) Bill, 1994. It arises from a situation in which the University had prior to this, a cess. Following upon that, the university has implemented a new fee structure. It became evident to the Government that the university, especially the technical arms, would be finding itself in a pattern of increasing fees, especially to meet the costs of increased expenditure on technical courses.

1.40 p.m.

Especially vulnerable are the engineering and medical faculties. Increasingly, the world is becoming moreso a technical one, and Trinidad and Tobago and the rest of the Caribbean in responding to the requirements of the globalization of trade are having to provide more and more a technical component in even

academic courses such as engineering. These are proving with their computer aided technology to be quite expensive. Therefore, we are forecasting that university costs of education would be increasing. This is occurring at a time when the fiscal situations of most of the budgets of Caribbean countries are hard-pressed, and the capacity of Caribbean governments to meet as a matter of course all of the costs of university education is increasingly coming into question.

As it is, the university relies almost exclusively on Government's funding for its costs of education, and only now, to a very marginal extent, on fees paid by students for the cost of their education. When we project into the future, we see mushrooming costs of university education; then, in that situation we see more and more fee requirements being placed on students, and the capacity of the Government to come to their assistance being restrained or restricted, bearing in mind all the additional burdens placed on Government's expenditure.

In that situation we decided two things: In the first instance, we have directed the university to seek to cover more and more of its costs of education by going out and becoming entrepreneurial. There are a number of consultancies that the university should be capable of doing both for the private sector and the Central Government. One would be astounded at the amount of consultants' fees that the Government alone expends every year, much of which is funded by multilateral institutions, some of which should certainly fall within the competence of the university to discharge.

Another area is that of getting subventions and donations from the graduates of these universities. It is no secret that a university education confers on the beneficiary the potential for considerable increase in earning capacity over a lifetime. It should not be beyond the capability of the university to so demonstrate, and out of a feeling of warmth and affection, thereby to seek generous donations from its alumni, as is the practice with most universities abroad. That is one end of the contribution.

The other end is what students are expected to pay in fees. It is regrettable that the Government cannot discharge its responsibility all the way through to tertiary education. There is universal, free, primary education, and more recently, universal, free, secondary education in Trinidad and Tobago. It would be a very desirable goal to extend that all the way through to tertiary education. As I have explained, not only is tertiary education very expensive and in some areas even more so, expensive, but also the resources of the Government are being called upon at present to look at pre-primary education.

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It is felt that the democratization process demands a first charge on Government's resources at that area first, because it is in pre-primary education that one can get the exposure of young minds to the educative process going at an early age and give them that head start into the primary education system that can bear fruit later on. It is felt that if there are limits on Government's resources, certainly we ought to look at primary and secondary education, and even thereafter, at pre-primary education.

Therefore, what is left over cannot, even though that is ultimately where the dividends are paid in economic terms, handsome dividends to the economy, and clearly it is demonstrable that it would be admirable to have Government's resources devoted in even larger amounts to tertiary education—the facts of the matter are that at present, and in the foreseeable future, the Government cannot see its way to find those extra mega bucks to donate to the university, bearing in mind, that already substantial amounts of Government's resources are paid by way of subvention to the university. We are looking to get that extra amount from students.

Bearing in mind all these factors we are projecting into the future, these costs to students especially in the technical fields are likely to increase, the Government felt that it was necessary to put in place a mechanism that would have students capable of paying their small sector of the total costs of university education themselves.

Recognizing that the Government was paying the major tranche, and added to that 30 medical students were going through entirely free, borne fully by the state; and recognizing that every year, 50 students on the basis of merit were paid for entirely by the state, that remaining section of the population that could not be entirely supported by their parents but on the basis of qualification obtained entry into university, and bearing in mind the goals of society, we felt that a mechanism ought to be put in place that would enable those students to get a university education since the Government could not go that extra mile to give it free to everyone.

In those circumstances, we garnered the services of a committee to make recommendations on a loan scheme for such university students. The committee started with a clear mandate from the Government. Prior to this scheme that we now have before us, there was a scheme known as the Students' Revolving Loan Fund. That scheme was certainly not revolving. Unfortunately, it is the convention among beneficiaries that loans given and seen to be coming directly

from Government, especially in an area such as education, are their deserved rights, and are perceived more to be grants than loans.

The history of the Students' Revolving Loan Fund seems to demonstrate that. There were 3,669 applications from the inception; actual approved applications by the Students' Revolving Loan Fund was 1,816; outstanding arrears at June 30, 1994 amounted to \$14,228,487.91. Beneficiaries over six months in arrears numbered 478. There were 315 beneficiaries under six months in arrears and 59 beneficiaries never bothered to make even one loan repayment.

1.50 p.m.

Mr. Vice-President, you would be surprised at the stature in society today of some of those beneficiaries, who shall be nameless. In normal banking/client relationships one does want to keep these matters private. But despite the best efforts of the state at collection, we have had very, very serious defaults, some of them because the beneficiaries have not been able to repay and the state has sought with them to reschedule those payments: they may be unemployed. Unfortunately, a very significant number of beneficiaries are defaulting because of a perceptual problem that if the money was not a grant, it ought to have been; therefore it is up to the Government to catch. This is a perception which persists.

We, therefore, gave as a clear mandate to the team which we have requested to devise this new scheme, that Government should be kept at arms length as much as possible in the transaction. Hence the matter before us today in which we have devised this scheme whereby the students will be able to go to a bank and, so long as they qualify—the terms of qualification are clearly laid out: they must be citizens of Trinidad and Tobago; they must be going or propose to go to the University of the West Indies. Unfortunately, at this time we cannot extend the scheme to other universities.

There are other qualifications that we have laid down. Once they qualify, the onus is on the bank to examine the proposals, to take measures of security to ensure the repayment of the loan and then the Government, in addition, recognizing that students have varying requirements have set income ceiling requirements. It is felt that parents who are earning in excess of \$150,000 should be able to fund their children for ordinary B.Sc degrees from their own income. In the case of medical students, because of the length of the medical courses and the high cost of medical education, we have raised the ceiling for those parents to \$250,000 per annum.

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Those are some of the workings of the scheme. In addition, we have said that the interest that the banks earn from making these loans would be tax free. By that device we have been able to pass on interest savings to the students and their parents, who are the beneficiaries of the scheme. So that, there are lower interest rates attaching to this loan fund than would apply in a normal arm's-length commercial transaction.

Even so, and with the banks acting as intermediaries, making the loans, assessing the students, policing the loans to make sure that the students are following the courses, that they have not dropped out and all these details in administration that as commercial people they tend to do better than some public servants who do not specialize in these areas of transactions, even so, it is clearly recognized that there are risks attached to student loans perhaps more than in a normal commercial transaction. What are some of these risks?

With the best will in the world over time security might deteriorate, but more fundamental, upon graduation, especially in these times, students may not find an easy transition from the student life into the world of work and, therefore, would not have the capacity to repay the loans on time. Often it is that students migrate after graduation.

There are all these potential problems. So that the Government and its committee, which held detailed discussions with all of the commercial banks in Trinidad and Tobago, wanting to induce the banks into operating this scheme for the benefit of the students and people of Trinidad and Tobago in general, recognized that the banks required at the end of the day a guarantee fund to deal with these kinds of defaults. Under normal commercial circumstances the banks would become very choosy in granting the loans, or they would make good the defaults on an expected statistical basis by charging that much higher rates of interest.

Since that was against the trend of Government policy, and since we wanted the scheme to be almost universally applicable to qualifying students and the rates to be as low as possible, we came upon this idea of a guarantee in which the Government would keep a fund to the value of half the loans outstanding and that fund would be administered by a trustee. The banks, after following the letter of the law, could make claim upon that fund after they had served notice of a default and later on, not immediately thereafter, collect their money. This is only after going through all the due processes required in a normal commercial transaction to collect the loan, either through legal requirements or collecting on the security

that they had won at the time of granting the loan. Only after the exhaustion of all those processes would the bank then have the right to claim on the fund, and the trustee would reimburse the bank for the value of the loan that had been defaulted upon. Then the Government, you and I the taxpayer, would have to top up and keep the Guarantee Fund whole.

Sometimes out of goodness of heart and well-meaning we want to be as generous as possible. We need to understand that ultimately it is you and I the taxpayer, who have to stand behind these student loans as guarantors. We must especially bear in mind, as I have said at the start of this discourse, that a university education is an investment in an individual. It has intrinsic worth. It increases the earning capacity of that individual several folds over, compared with say if that student were just an A' level graduate. That value of education resides in that individual and that extra income is to the benefit of that individual, to use at his discretion. Recognizing that, it is unfair upfront to come to the taxpayer to be a guarantor, except after a long series and a due process has been followed. So we need to keep heart and head in this matter clearly in focus as we discuss this.

These are the circumstances as I have outlined them. The scheme, in order to be operationalized, has to be approved by this Parliament and, therefore, I bring the matter to you.

I beg to move.

Question proposed.

2.00 p.m

Sen. Wade Mark: Mr. Vice-President, let me take this opportunity to welcome back to the Senate our colleague and Friend. I do not know what is his status at this time, whether he is a Minister or an assistant Minister, but whatever be function he carries out at this time, I want to welcome him back to the Senate after a two-week sojourn.

I also want to congratulate our dapper Minister of Finance on his recent consummation of marriage [*Interruption*] I wish him well and I hope that there will be one love in that camp. [*Laughter*]

Mr. Mottley: Mr. Vice-President, I had enough trouble with the *Guardian* photographers, only to find that Sen. Wade Mark was present at the consummation [*Laughter*]

Sen. W. Mark: I was not there, Sir; I would have liked to be, but you did not invite me—specially invited guests, I understand. *[Laughter]*

Mr. Vice-President, this Bill before us is to establish a guarantee fund for the purpose of facilitating certain loans to university students. We understand from what the Minister said, that this fund, by a deed of trust, would be guaranteed, and it would be designed to facilitate the granting of loans by commercial banks to university students for payment of tuition fees.

We are concerned about the optimum use of our limited and scarce financial resources, I want to make that very clear from the outset. Although from recent evidence emerging from the Auditor General's Report for 1993, there appears to be financial lawlessness in the Government's operations at all levels; fraud, theft, losses, financial irregularities, waste, criminal negligence, in one word a "bible" of financial lawlessness.

In this Bill we are concerned about optimum use of scarce and limited financial resources. We understand from the Bill that this particular fund to be established is going to have a specified sum of money agreed to by the Government, the University of the West Indies and the commercial banks. We would like to know from the Minister if the Students' Guild of the University would be part of that arrangement since students will be directly involved.

We also note that the fund is to be maintained at the required level specified in the agreement among parties and the Government is going to ensure, where necessary, quarterly disbursements. Again, we have some queries here. We should like the Minister to indicate to us why quarterly disbursements; why not yearly? Why not every six months? What is the basis for the quarterly arrangement? Then we understand from the proposed Bill that the fund is to be managed by a trustee, some independent financial institution. We on this side should like to know the name of this particular trustee. We should also like the hon. Minister to let us know what will be the criteria used in selecting this so-called independent financial institution that would serve the role of trustee.

We also understand that the performance of the fund and the corresponding loan portfolio with the banks are to be subjected to an actuarial review at the end of June, 1998. We should like to know, Sir, why 1998? Seeing that this fund is about to be established as soon as passage is given here, the Government will be disbursing funds, we should like to know why June 30, 1998.

There are a number of deficiencies we have discerned in this particular matter before the Parliament and we believe that the Minister would need to provide us with some detailed clarification. As you know, we are living in a world where

today technological changes are in fact contributing to rapid development and growth in some countries and to underdevelopment and stagnation in others. We know that a skilled labour force, a highly educated labour force, the whole concept of human capital formation is something that developing countries need to focus on and pay much attention to. We need to invest in human capital if we are to make sense as we inch our way into the 21st century.

The whole question of the technological revolution and the need for us to enhance and strengthen our skill level is undoubtedly clear. This is why when we look at this Bill we wish to ask the Minister—because he was very silent on this matter—what is the link between this so-called lending programme and the human resource needs of our country in the development process. What is the link between those two? There seemed to be a vacuum in his presentation, and if we will be creating a second Students' Revolving Loan Fund let us know! It is better that the Government pump money into the existing student arrangement, if it does not have a strategic plan, a strategic policy to deal with human resource development in the course of this new lending programme that it is seeking to advance.

In other words, Sir, we would like the hon. Minister to indicate to us what are the skills required, given the Government's thrust for development and transformation in our country; whether the Government has a national manpower policy so that it can, in fact, forecast the human resource needs of our country and therefore have a link between what is being proposed here and the country's development. I have not seen any link being established in the Minister's presentation.

2.10 p.m.

Mr. Vice-President, if you are not aware, let me make you conscious that there was a Grand Anse Declaration coming out from a Caricom Heads of Government Conference in 1989 which provided a mandate for the University of the West Indies. The university, as you know, Sir, is being undermined by the very Caribbean governments that provided it with that mandate. I have a document—and these are documents I feel should be made available to all parliamentarians. I should not be seeking these documents. Information is the base of our advancement, Sir. It deals with some memorandum of Estimates of Needs for the Triennium, 1993, 1994, 1995, 1996 submitted to the Technical Advisory Committee dated November, 1992. I want to quote a section of this report, page 10:

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"A landmark in the University's development was the unanimous approval of its ten year Development Plan by a Special Meeting of Council held on 16 November, 1990 which was preceded by similar unanimous approvals of Campus Development Plans by the Campus Councils. These approvals were underpinned by the call from Caricom Heads of Government at Grand Anse in July 1989 for the University to take the lead role in the development of the scientific and technological capabilities of the region, as a central element in a new thrust to accelerate growth and development in all of the countries of the region. Never before has the University received such a concrete and unequivocal mandate from contributing governments to move expeditiously to enlarge its physical and human capabilities for the purpose of addressing critical development needs. This mandate has been a major factor underlying the success which the University has experienced in mobilizing the external resources mentioned above. Governments are now being asked to do their part by providing the necessary counterpart contributions as set out in the estimates for the forthcoming triennium."

We are dealing with the University of the West Indies. I am saying that we are dealing with a Guarantee Fund that is being established here and the university has been given a mandate by the Caribbean Heads of Government to get into the technological and scientific thrust.

Therefore, I am trying to get from the hon. Minister what is the link between this new lending programme and this so-called thrust that has been given to the University of West Indies and exactly how this is being manifested. We are going to be pumping more money into the University of the West Indies. I hope that we do not have more defaulters.

We need to know as a Parliament what are the skills that the Government is, in fact, contemplating in this so-called scientific and technological thrust so that there could be a heavy bias towards those skills and towards those areas of development. We need to have these things clarified from the goodly hon. Minister. It appears to us on this side that there is a total insensitivity on the part of the governments of the region, particularly this Government, towards the University of the West Indies.

In the *Trinidad Guardian* of Monday, August 01, there is a headline, "Students Loan Fund comes up for debate in Senate." This article deals with the outstanding sums that the Government of Trinidad and Tobago is indebted to the

institution, that is, the University of the West Indies. It amounts to \$300 million. That is what the Government of Trinidad and Tobago owes the University of the West Indies. I would like to know if that is true. Could the Minister tell us if this is just propaganda, rumour or whether it is a fact?

The point I am making is that this kind of deficit in the university financing that is responsible for the university being almost on the brink of collapse. It seems to me also that rigor mortis has gone into the university, intellectual rigor mortis. Many brilliant professors are leaving the university today, and under-qualified people are being brought in, but I will deal with that in a little more detail as I pursue this matter.

We are establishing the link between what the Government is seeking to propose here in terms of this new fund and the country's development thrust. The Government must tell us what it is doing about these heavy sums of money that are owed to the university.

This university is heavily indebted and it is contributing to what is called massive downward adjustments, with its negative consequential impact on the quality of education. We must never forget that Prof. Alister McIntyre in a document entitled *Building National Consensus on Social Policy*, indicated to this whole country that one of the critical problems I am quoting a document here, the pages are not numbered because the hon. Minister of Planning and Development has refused to make this document a public document although he has had it in his possession since August 1993.

Sen. Dr. Saith: It maintains that is not a report.

Sen. W. Mark: Well, it is a report because it is in my possession now. I am now making it a report.

Prof. Alister McIntyre, one of our brilliant scholars in the region, on the question of education says:

"The critical problem in Trinidad and Tobago is the quality of education..."

In emphasizing the issue of the quality of education, he also mentioned that the enrolment level at our university is extremely low in relation to middle income developing countries.

Is my colleague aware of the massive downward adjustments that are being made by the University of the West Indies and the impact of those adjustments on the quality of education? What is the sense we are going to be asked to pass this

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piece of legislation if at the end of the day we are going to be producing students who, like under the secondary schools system, after spending five and six years at school, cannot read nor can they write properly? The University of the West Indies, I understand, is heading almost towards that same crisis.

We are in fact fortunate. Again I say, these documents ought to be made available to the Parliament. I should not be getting these things through any kind of secret arrangement. This is a document which deals with the University of the West Indies, Revised Estimates 1994–1995". What this document says to me is that the university for 1994–1995 had a total adjustment downward of some \$21.3 million and were able to save only \$19.2 million leaving a shortfall of \$2.1 million. This document, indicates. *[Interruption]* I will pass it to Sen. Dr. Saith if he is not aware of it yet—massive cuts in almost every faculty at the University of the West Indies. Let me give some examples of some of the massive and criminal cuts that have taken place at the University of the West Indies and the consequential impact on the quality of education for the student population that is going to be graduating in the near future.

2.20 p.m.

The Institute of Social and Economic Studies, a cut of \$128,000; Education Research and Development—\$238,000; Administration—\$1 million; the library facilities, which are critical, and I will tell you how much it costs to buy a book at the University of the West Indies. The average cost for a book, according to the university, is \$353.00. I will give you a breakdown of other costs as we proceed.

They cut the library services in 1994 to the tune of \$1 million. Do you know the impact of that on the capacity of the library to provide journals and books for its community? Over 1,000 courses are carried out at the university and there is a situation where allocation to the Faculty of Agriculture is cut by \$1.3 million. The Faculty of Engineering—\$2.3 million; Faculty of Social Sciences—\$773,000; Arts and General Studies—\$636,000.

The Faculty of Natural Sciences suffered a cut of \$1.4 million; Faculty of Law—\$30,000; School of Continuing Studies—\$31,000; Foundation and Teacher Education—\$696,000, and it goes on; a total of \$21.3 million. We might look at this matter very lightly but this has implications for the quality of education at the University of the West Indies. Every faculty has been affected by these massive cuts in 1994–95.

Sir, I would like to let you know what is happening in terms of the library because library services are very dear to me. We are talking about establishing a

fund to provide students with loans, but when they get the loans and they go to the library there would be no books, and the loan would not be sufficient to enable them to buy books as they are too expensive. What are we doing? We are spinning top in mud. We are wasting taxpayers' money.

The average textbook in the Faculty of Agriculture costs \$324—Prof. Lawrence is here and he could testify; Humanities—\$230; Social Sciences—\$297; Engineering—\$433; Natural Sciences—\$482; an average of \$363.20. That is the kind of crisis with which the university is now faced. I am saying that we have to look at this matter in a comprehensive way and not have this kind of piecemeal approach that the Minister attempted to advance a short while ago. We need a detailed analysis.

There is a crisis of accreditation. My information is that these cuts are seriously jeopardizing the quality of work at the University of the West Indies. As I said, every department has been affected and the whole question of accreditation is becoming very serious. The Department of Civil Engineering faces the possible loss of accreditation by the United Kingdom Engineering Council. Accreditation is due to be re-assessed in January 1995 and there is a possibility of loss of accreditation if this shortfall continues at the University of the West Indies.

I think the Minister needs to understand these things. As parliamentarians, we all need to understand the extent of the crisis at the University of the West Indies. Mr. Vice-President, you are a former professor of the university and you would know the kind of problems that it faces.

I refer to the editorial of the *Newsday* of Friday, July 29, 1994 which states: "UWI School of Dentistry," and I shall read some aspects of it because we are dealing with accreditation. What are we pumping money into the university for if at the end of the day one's degree would have worth only in Trinidad and Tobago? When one graduates from the university one wants to know that one's degree could stand the test in the Caribbean and abroad. At the UWI School of Dentistry, which, I understand, is a Faculty of the University of the West Indies, there is a serious accreditation problem. The Minister must tell us what is happening with the UWI School of Dentistry.

The editorial states:

"Recent reports have suggested that the school has not been granted accreditation.

The silence from the university on this issue has been deafening. The UWI administration has neither made clear to the students nor the parents and

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certainly not to the taxpayers of Trinidad and Tobago and the Caribbean whether the reports were valid or not."

We need to get from the Minister of Finance before he leaves here this afternoon what is the position with this School of Dentistry. The whole question of accreditation is a danger that we are facing.

To demonstrate the insensitivity of this Government insofar as the University of the West Indies is concerned, I refer to an article in the *Trinidad Guardian* of July 23, 1994 entitled:

"Government wants UWI land in Valsayn
Proposed site for K-Mart Mall"

It says:

"The University of the West Indies has turned down ..."

luckily we have a professor who has some guts.

"Government's request for a 30 to 35 acre block of land at the University Field Station in Valsayn, St. Joseph.

According to the campus principal, Professor Max Richards, the land is being sought by a consortium of developers which includes K-Mart, an American food chain, to build a multi-million-dollar shopping mall."

Why would the Minister of Planning and Development seek to get the University of the West Indies to give up 35 acres of land that is actively in use at the University of the West Indies as a field station dealing with livestock production? It amazes me; it escapes me! I do not understand how he could even propose that.

Sen. Dr. Saith: Mr. Vice-President, I thank the Senator for giving way. The Minister of Planning and Development has never requested the university to give up land. The Government, on the basis of a request made to it, asked the university whether the land would be available; the university said no, and that is the end of the matter.

Sen. W. Mark: I am happy that the university stood up and said, no. Merely to make the request was utter madness in the Government of Trinidad and Tobago, of which the Senator is a part—Deputy Prime Minister and Prime Minister at times.

Sen. Capildeo: Assistant Prime Minister.

Sen. W. Mark: Mr. Vice-President, as I said, we are concerned about the state of the University of the West Indies. How will this arrangement seek to put

UWI at another level to make it stronger? We would like the hon. Minister to let us know exactly what the Government has in mind.

We are saying that he has to identify the human resource needs for development and then prioritize them in order of importance. Any lending programme should be regarded as a strategic policy for promoting the development of the country's human resources in those areas critical to national development. This is what we are arguing on this side. We believe that this targetted approach to lending should maximize the benefits that would accrue to the economy, thereby justifying the use of scarce financial resources.

2.30 p.m.

The hon. Minister referred earlier to the Students' Revolving Loan Fund. I saw in the newspapers recently—I do not know whom to believe, Sir—a report in the *Sunday Express* that some 852 students, or beneficiaries, are in default, totalling some \$40 million. I am wondering what kind of operations are being put in place to ensure that we do not have a recurrence of this kind of madness in our country.

I have no problem with people getting a loan, just as I had no problem with the Minister getting a loan, but they must repay their loans! Do not look for debt forgiveness. That is a bad example he is setting, for all the students would be looking for debt forgiveness, now. Since the Minister is rich and he is looking for debt forgiveness, they would be looking for debt forgiveness too! \$40 million! That is a lot of money in our country. It may not be much to rich, powerful people in the country; but for the ordinary man and woman who has to pay increased bus fares and increased chicken prices, that is a very large amount of money.

Let us look at the issue of the cess loans to students. This is the Auditor General's Report of 1993. This report alone should bring down the PNM Government. It is financial lawlessness in the Government. This whole "bible" tells me of criminal activities taking place in the public service today, and the Government is sitting idly by.

The Auditor General tells us in this report that the Government has to collect an outstanding amount of revenue from different sources amounting to \$4.2 billion! We have \$4.2 billion out there and the Government is not collecting our moneys. All kinds of corruption and fraud are taking place, and poor people are dying in this country.

In this report, section 3.15, Cess Loans to Students, the Auditor General was making an analysis of this arrangement, and what was the conclusion drawn by

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the Auditor General, Sir? He recommended to the Government, the Parliament and the country, at section 3.20, that—

"urgent steps be taken to implement effective monitoring and recovery systems to minimise losses. Inaction against defaulting debtors can have adverse effects on the financial resources of the country."

This is what the Auditor General recommended.

We want to know—I have not seen it in the Bill before us—exactly where the Government is going to deal with the establishment of monitoring mechanisms to ensure that we have a recovery system in place to minimize losses. Where? They have come with another scheme. This is musical chairs taking place. They have gone from the Students' Revolving Loan Fund and set up a trust which will now flush out moneys to the bankers who will have no obligation to follow up any loan commitment because there is a trust fund that says: "You come to me and I'll set you free." That is all. So what are they doing?

Those financial resources are scarce! I am against corruption in whatever form. I do not care whether it is a student involved in corrupt activity, because to be defaulting on the taxpayers' money without providing sufficient evidence of your inability to pay, is a criminal offence; and we have to deal with that very severely. I have no compromise on corruption. That is corruption and, therefore, we would like the hon. Minister to let us know in this Parliament who is the trustee, because we have had too many instances of secret deals being made behind the backs of the Parliament and taxpayers. We need to know who is to be this trustee.

Clause 3(3) of the Bill says:

"The terms of the trust deed establishing the Fund as well as the terms of the disbursement of the loans to the students shall be such as are agreed upon among the Government, the University and the lending banks."

We ask the questions: How many loans would the student be entitled to on an annual basis? Can the terms change from time to time, and who is going to determine this? We have had instances of defaulting students. We want to know what are the terms, Sir. We also want to know whether the Students' Guild would be part of this arrangement. We need to know the terms, because if they are onerous, they can frustrate genuine students from accessing credit. We are not leaving it up to the Government, the university and the banks. The Parliament

should have a say in this matter because poor students, as I said, could be frustrated by the terms, particularly if they are onerous.

This so-called trustee that they have talked about here, we would like the Minister to let us know how much the trustee will be paid for his services. We need to know all these things in advance. We also want to know what will be the overall cost of running this scheme on an annual basis.

We would also like to know what are the criteria of the loan distribution in respect of the various subject areas I have mentioned. Is the Government going to have a deliberate bias towards the sciences? How is it going to be worked out? I am saying, if there is a link between the Government's lending programme and the development thrust of the country, is there going to be a deliberate policy of having a bias towards the sciences, as opposed to the arts? People could still do humanities, but are they going to down-play the humanities, given the mandate that the governments gave the University of the West Indies in their Grand Anse Declaration in 1989? These are matters we need to know. We are about development; this is our country; this is not PNM land, so we need to get information on these matters, Sir.

Clause 4(1) of this Bill, says:

"As soon as the Fund is established, the Minister shall cause the sum agreed upon..."

What is this sum, Sir? Who is going to agree on this sum—the university, the Government and the banks? This is the Parliament. Again, this Government wants us to engage in blank shots. They want us to shoot in the dark. We do not buy "cat in bag." I have told them that over and over. If they want us to agree—this is a blanket arrangement that we are giving the Government here. The Government wants us to agree to a sum—what is the sum? The Government must have worked out this matter—it did not happen overnight.

Sir, you must understand that the banks in this country, right now, from the reports in the newspapers, have in their possession over half a million dollars resulting from the 10 per cent that the students have paid down. They have refused to turn over that money to the University of the West Indies. The total sum owed to the University of the West Indies as a result of that arrangement is about \$8 million. The banks have been making interest on that \$500,000. Are they going to pass that on to the University of the West Indies, or are they going to pocket it?

These are areas we need to know about; we do not want to have any kind of secret agreement, because if we continue this way this deal which the Minister chalked up in Washington where up to now this Parliament does not know exactly

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what is the arrangement involving Holland & Knight—we do not know what it is costing the taxpayers of this country for this so-called contract—and we have to pay for it. We need to know what is the amount of money that is going to be put out, and why they want to disburse this matter every three months. We need to know these things.

2.40 p.m.

If one looks at clause 6 (1):

"A claim may be made by a lending bank upon the Fund for the amount due and owing by a student, in addition to legal expenses incurred in the attempted recovery of the debt."

What is this?

Mr. Vice-President, do you understand the fleecing and corruption that can take place here? This is why I am asking the Minister whether with the moneys being put into this so-called trust fund, it is going to be business as usual as it appears to me in this Bill. Pump that money into the Students' Revolving Loan Fund so there would not be that kind of problem.

These bankers are going to have a field day. They are going to be taking action and charging the taxpayers legal expenses. I do not know what is their cut-off. What is the limit to these legal expenses? Therefore, banks can now charge legal expenses amounting to a million dollars. We do not know, because there is nothing in this Bill to say what is the maximum limit that these people can charge.

This is a sad thing, and we cannot just give blanket support to these matters. We need to have the facts before us, before we can give support to these things. I do not like this clause. I think it is too open and subject to abuse. This is what we are trying to avoid. We are trying to control abuse in this regard.

Why must the guarantor, the Government, the taxpayers of this country be called upon to pay these legal expenses? These expenses can be inflated. There are crooks and bandits in high places. What they will simply do is to inflate the legal expenses. When the legal expenses are inflated, who is going to pay for them? It is the sons and daughters of our country.

Because of this financial report which I have before me, the Auditor General's Report for 1993, we have to get serious about accountability. Financial accountability is a joke in Trinidad and Tobago today. Corruption and fraud run rampant in this country, and criminal negligence on the part of many people in

this country is making this country lose hundreds of millions of dollars on an annual basis. They want me to give them a blank cheque? I cannot do that, Sir. I am not signing any blank cheque.

Listen to clause 6(2):

"Before any payments are made out of the Fund, to a lending bank, the trustee shall ensure that the lending bank takes all steps that are reasonable in each particular case to recover the debt due and owing to it."

What are these reasonable steps, Sir? This is a nebulous, vague and ambiguous piece of legislation. This is dealing with finances and we are being told that these people have the authority to access this Fund once their moneys cannot be recovered. At the same time, we are being told that they are going to be asked to take all reasonable steps to recover their moneys.

What are these reasonable steps? Should they not be stated here, so that at least the population of this country would know what these steps are? Are we going to leave it up to the bankers? Are we going to leave it up to the University of the West Indies? Are we going to leave it up to the Government to define these steps? This is the kind of madness that we have difficulty in supporting. We need clarification on these matters. We need these things to be tight so we avoid as much as possible abuse and misuse of power.

If one looks at clause 6(3), one will see:

"After disbursement to the lending bank in accordance with subsection (2), the trustee shall have and exercise in its own name all the rights of the lending bank for the purpose of recovering from the student, monies paid to the lending bank, and a certificate from the trustee as to such disbursement shall in the absence of proof to the contrary be sufficient proof of such disbursement."

Mr. Vice-President: The speaking time of the Senator has expired.

Motion made, That the Senator's speaking time be extended by 15 minutes.
[*Sen. S. Capildeo*]

Question put and agreed to.

Sen. W. Mark: Mr. Vice-President, in this particular area, the trustee, who is going to be the final arbiter in the recovery of our funds, the taxpayers' money—again, the steps are not clearly defined. What will this trustee do? I cannot over-emphasize this very important statement made by the Auditor General that we need “to implement effective monitoring and recovery systems to minimize losses.”

I am not seeing this here, Sir; I am not seeing any efforts being made by the Government in this Bill to implement effective monitoring mechanisms and appropriate recovery systems so that we can minimize our losses. Where is this thing? This is a jingle bell arrangement; a musical chairs kind of arrangement here. We have difficulty in examining this thing and not asking the Government to revise some of these clauses.

If one looks at clause 9(2):

"The annual statement of accounts shall be audited at the end of each financial year, and a copy shall be submitted to the Minister as soon as possible after it has been audited."

Sir, we are not in support of this "soon as possible" thing at all. This is finances; this is taxpayers' money; we are advising the Government that we want a specific time frame. We say within one month—no less, no more. One month; not "as soon as possible." We are not on that. We are giving the Government notice that we will be moving an amendment at the committee stage. We do not want this blanket arrangement. Too much “tief” in this place; too much corruption in this place; too much fraud in this place. We have to tighten the financial ship of the country and we have the responsibility of doing this.

The hon. Minister would need to tell us how this trustee is to be selected. What are the terms that will govern this trusteeship? We need to know these things because we have some doubts about the possibilities of matters developing very seriously and affecting the integrity of this nation.

I want to say that if we are not careful, the university could become irrelevant very shortly. If we are not careful, the university, because of the undermining and sabotage that are taking place through the absence of funds, would become something of the past. We have to deal with the university very seriously in the context of the 21st century, and all the kinds of changes taking place throughout the world.

I want to say as well that a number of students are being disadvantaged in this arrangement. Books, as I said, are too expensive; accommodation is too

expensive. People coming from Sen. Callender's territory, Tobago, are at a disadvantage as well, but he does not speak for Tobago. I know that. I speak for Tobago now.

As far as we are concerned on this side, the University of the West Indies is in a state of profound crisis, financial and intellectual. As I said, it is becoming irrelevant and anachronistic. If we are not careful, it will have no real purpose. If the Government does not put UWI on a proper footing, if the Government does not pay its bills, if the Government continues to deny the university resources, the university is going to cut itself out of existence.

If it can cut \$21 million—if I were to read reports which I have here, they would make Senators bawl. Faculty heads are bawling; they are appealing. They are saying, "No. We can take no cuts again. If we take cuts, the programmes collapse." There are programmes that cannot be conducted, still they say, "Bring down the axe." That is the kind of thing taking place at the university. It is a very serious crisis at the university—a very serious crisis. Therefore, we need greater accountability from the University of the West Indies.

2.50 p.m.

I should not be seeking to get a report on revised estimates for 1994–1995. We have the right to receive these reports in the Parliament. Why are we not receiving these reports? Is it a secret order at the University of the West Indies? Is the Government not in charge of the University of the West Indies? Has the Minister lost his footing in that area? Is he slipping? He is not slipping financially, but he is slipping in terms of Trinidad and Tobago bringing the university to book. We need greater accountability from the University of the West Indies.

I would like the hon. Minister to pay attention to this question of accreditation in terms of the Engineering Department, particularly the Electrical Engineering Department of the University of the West Indies and the crisis at the School of Dentistry where my daughter and your son invested five years of education, and when they graduate this year their dentistry degree would be relevant only within the boundaries of Trinidad and Tobago. That is utter madness! We need to get clarification from the Minister whether that is so. That cannot be tolerated under any circumstances. I am just referring to a report I read in the newspapers. I am not saying that is so or not so. I would like the Minister of Finance to tell this country whether that is so. That is what we would like him to do.

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As I said, we need to tighten the financial ship. It is on rocky waters. We need to ensure that our dollars are spent in the best interests of our country. We cannot allow corruption to continue in our country as it is going. Too many lives are being placed in danger as a result of this mismanagement, waste, apathy and insensitivity on the part of the PNM administration. They do not care about anybody. All they care about is their pockets, as far as I am concerned. If they had cared about the country this report, this "bible" of financial lawlessness would never have materialized and would never have been tabled here. Since 1990 the Auditor General has been complaining about financial irregularities. This Government has been in power 2 1/2 years now and has not done a single thing to address these issues.

Thank you very much.

Sen. Diana Mahabir-Wyatt: Mr. Vice-President, I will be very brief. First of all, I would like to congratulate the Government on having brought this Bill before us. It has taken far too long for it to come here. As a result I know there are a number of students who are suffering in very real ways, because they were not able to obtain their degrees this year, as they were not able to finalize the loan that they had to take out in order to finance their studying. In many cases this has meant that some students could not apply to pursue post-graduate studies abroad because they had not received their accreditation for this year.

I am not going to follow up the points that Sen. Wade Mark made about the trustee. I have a feeling that Sen. Wade Mark, perhaps, is suffering from a bit of cerebral obfuscation on this occasion. There are two points which I would like to get some information on from the Minister. One question Sen. Wade Mark did raise, was about the Government's human resource development policy. Are we tying, in any way, the loans which are being granted to students with a human resources development policy?

I know that this human resources development policy has been discussed on another occasion, but I do not have clearly in my mind that such a policy has been published so that people can have an idea, down the line of what sort of education they should be going into. They should know what sort of faculties they should be studying so that they will know there is a decent chance of their being able to obtain employment in the next four or five years.

We have all witnessed the tragedy, and not just the tragedy in terms of wasted time, but in terms of the bitterness of young people who come out of university, particularly out of the University of the West Indies, feeling, whether rightly or

wrongly, that now that they have studied, and obtained a degree, they should be able to find their "place in the sun"; they should be able to obtain jobs and return in some way, via contribution to the society, something of the benefits that the university has given them, only to find that there are no jobs available. If there were a little more guidance in terms of a manpower development policy or a human resources development policy many of these young people would not end up as frustrated and as bitter as they are.

I feel that we are losing much of our brain power because so many of these young people emigrate. When we are paying taxpayers' money to educate them into a tertiary level, and we are told by such a respected source like Sir Alister McIntyre that we need a higher level of tertiary-educated people than we have, then we are very low for a country that is trying to develop at the rate that we are attempting. To lose these graduates to foreign countries means, that we, are in fact giving aid to developed countries by giving them the best brains that we have paid to train. I do not believe that by terms of any International Money Agreement we should be giving aid to developed metropolitan countries.

If there is any such connection it would be useful if the Minister could let us know that. I also wonder if the Minister could tell us whether there would be any criteria under which the banks can refuse to give loans to students. I do not know if these have been marked out yet, but will this just be on the usual commercial criteria or if a student whose performance falls below a certain academic standard, will that be grounds on which the bank can refuse to grant a loan for the following year? This simply is in relation to the last question I was asking.

As the Minister very eloquently pointed out, it is the taxpayer, it is the Minister, you and I who have to keep this Fund topped up. I suppose if we are going to do so it would be a good idea if we knew whether there were certain limitations on how much and how quickly this money can go out.

We know the university has enormous problems. I am as concerned as everybody else about the funding for the university itself. I believe I am even more concerned in a sense about the funding to pay salaries for the academic staff at the university. I believe we are falling so far behind in terms of salary levels for our academic staff, considering the calibre of people that we have. We are losing them rapidly because we cannot compete even with Jamaica and Barbados, from what I understand, much less with universities abroad which are quite happy to take our experienced and able people and pay them three and four times the salaries that they are getting here.

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A propos the university as a whole, I would like to just share Sen. Wade Mark's concern about the question of accreditation. Again, thinking of the problems of students—who are going to have to repay these loans after all—if they find at the end of a specific period of study that they obtain a degree but it is only accredited here, this itself is a hardship. Sen. Wade Mark asked a question in relation to the School of Dentistry. I would also like to know if the Minister can say whether this loan programme would extend to the IOB, MBA programme, and whether or not that Executive MBA programme qualifies people to pursue a further academic degree abroad, or if this accreditation is relevant only to Trinidad and Tobago and the area bounded by the West Indies.

I gather that there has been some confusion where people have been trying to use the Executive MBA as a basis for further academic study abroad, and the question of accreditation has come up. I would be very grateful if the Minister in his reply could address these few points.

Thank you.

3.00 p.m.

Sen. Rev. Daniel Teelucksingh: Mr. Vice-President, my first response to the University Students (Guarantee Fund) Bill is in praise of Government's declaration, through this Bill, of its continuing commitment to assisting students pursuing higher education. The Bill bears with it a further emphasis on the significance of tertiary education in a developing society such as ours.

However, I hesitate to support this Bill. I am reluctant primarily because of a regular pattern discernible in students' repayment of their loans. I have a problem with that. It is disturbing when we consider the failure of beneficiaries of students' loans to honour their promises and obligations to Government. So many students after graduation are gainfully employed, but they ignore their indebtedness, and of course, those who migrate make recovery of moneys loaned virtually impossible.

I do not really think after careful study of the Bill, and also the history we have inherited, that the intermediaries between the students and the Guarantee Fund, as proposed in the Bill would really make much of a difference. You have to pardon my scepticism. As long as there is a guarantee fund, banks are assured of recovering outstanding moneys owed to them. Who is really taking the risk? Do you think that the banks are doing the Government a favour? I do not believe this and they are not doing the students a favour either. It is only the Government being conned by those who are willing to take it for a ride, as they have done over the years.

Look at the record of students' obligation. The hon. Minister said recently, I think it was in the other place, as reported in the *Guardian* dated July 26, 1994 that since the inception of the Students' Revolving Loan Fund, \$63 million has been disbursed with merely \$34.2 million repaid. The article did not say how long it took the Government to recover this. I understand that it could well be more than a decade. How long would it take to recover the remaining \$30 million? Sen. Wade Mark said \$40 million. In fact some of the debtors are not even in Trinidad and Tobago. We cannot find them.

The hon. Minister responsible for tertiary education was quite correct when he observed in a 1993 comment he made in this honourable Senate, that students were themselves responsible for the tragic depletion of the Students' Revolving Loan Fund. I add, the selfish exploitation of this fund by past students was a colossal tragedy causing the suffering of many students today.

We need to pay close attention to the report of the Auditor General on public accounts for 1993 concerning the newly invented cess loans. That is another experiment in students' assistance. The report said that during the period 1990–1993, payments by the Government of Trinidad and Tobago, in respect of guarantees enforced by the commercial banks amounted to \$679,657.00. Look at this! Of that amount, only \$58,680.00 was recovered from defaulting students at the end of December, 1993. Payments amounted to only 12 per cent out of outstanding moneys. Are we going to continue this? The purpose of the Bill is to encourage this.

I draw your attention to a closing comment in the same section of that report on cess loans. The report said that inaction against defaulting debtors could have adverse effects on the financial resources of the country. In fact, what can the proposed University Students (Guarantee Fund) Bill do? I believe that this Bill is another prescription for irresponsibility. Hence my reservation on it. I believe that this Bill promotes that despicable, non-productive, debilitating, dependency syndrome. It supports the “freeness” mentality which does us no good.

We must search for alternatives. We must help the students. I believe that the Government's concern for the students at the University of the West Indies can be better expressed if tax credits and other tax allowances are given to parents who support children at that institution. I bring this suggestion to the notice of the hon. Minister of Finance in his preparation of the 1995 Budget.

Could the Government encourage the private sector to offer more bursaries to deserving cases, particularly students from low-income families? I believe that

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the Government can use its influence to appeal to the commercial banks to provide soft loans to students for tuition. Commercial banks with a very high profit margin need to lower their interest rates for education. The present cess loan for students attending university attracts, on an average, an interest of 12 1/2 per cent, and after graduation it is increased to 15 3/4 per cent.

Certain banks offer education loans at 10 1/2 per cent interest with cash security, and 13–14 per cent interest on unsecured loans. I have been comparing this with the purchase of a new car. A loan to purchase a new car has an interest of only 12 per cent, but loans for education, I am seeing 10 1/2 per cent, 13–14 per cent, 12 1/2–15 3/4 per cent, So I can buy a car, get a loan and pay 12 per cent interest. If commercial banks in Trinidad and Tobago really want to help parents and students, then these interest rates should be decreased significantly.

I am also concerned about some clauses in the Bill that I would like to call the audit clauses, where provision for annual statements of accounts is made to the Minister and the actuary, and reference to the laying in Parliament of the reports on the activities of the fund. I want to remind you that on Tuesday, July 12, 1994, some reports were laid in this Parliament from the Auditor General. One is the financial statement of the National Gas Company for the year 1987, almost seven years late.

3.10 p.m.

The Auditor General's Report on the accounts of the Point Fortin Regional Corporation came almost seven years late to be laid in this Parliament, so late, that if there are irregularities, it makes any investigation extremely difficult. If this is the speed of the system, then you will understand my scepticism about the monitoring of this proposed Guarantee Fund.

I want to go a little beyond the question raised by Sen. Wade Mark concerning the School of Dentistry. I look at the brochure of the School of Dentistry; for the academic year 1993-1994, tuition fees are listed as US \$13,500 and approximately TT \$25,000 for living expenses, books and travel. Now that is a fortune! We are talking about financial assistance for students. Annual tuition fees alone for Trinidad and Tobago students for the School of Dentistry for this past academic year amounted to \$79,000. Sourcing such funds either privately or with Government's assistance is difficult as it is a lot of money.

Now, our students had to find that money for their education for several years and today this issue of accreditation and their competence, too, for dental practice

creates a crisis at that faculty. Who will recognize their qualification? Sen. Wade Mark talked about recognition outside Trinidad and Tobago. I understand that this is graduation year for the first batch of students, and the Trinidad and Tobago Dental Council has not even recognized them. Did our students or the other Caribbean students enrolled at the School of Dentistry know before they were enrolled that there was such a risk at the end of their course? What serious attempts, we may ask, were made during the last few years to secure recognition of the School of Dentistry?

It is not a rumour; it is a fact that the syllabus for the past academic year was incomplete. Students should have graduated at the end of the last semester like everybody else in the various faculties of the university. This is no rumour. They have to do some extra courses and yet they are not too sure what will happen at the end of that extended programme.

Not only for the sake of precious financial resources invested in tuition expenses, but we are thinking about young persons who have given so much in preparation for their career. I, therefore, want to suggest, very respectfully, that Government launch an immediate enquiry into the operations of the School of Dentistry and give whatever assistance it can to rescue this beleaguered faculty of the University of the West Indies. Over to the hon. Minister responsible for tertiary education.

Allow me to raise a further matter concerning this vexing question of financing tertiary education. Do you know, Sir, that our students, Trinidad and Tobago nationals, enrolled at the Faculty of Law in Barbados are financially overburdened because of the exchange rate differential? With the Barbados dollar being approximately TT \$3.00, Trinidad and Tobago students studying in Barbados must find about \$60,000 annually.

I would like you to consider, for example, the question of boarding. Students can find accommodation in the vicinity of St. Augustine for \$400 per month, whereas, in Barbados, for similar accommodation, they must find about \$1,500 per month. Something has to be done.

Mr. Vice-President, I would like to conclude on this matter by saying that since first year law students can be taught, and are being taught at the Sir Hugh Wooding Law School, the time has come for the University of the West Indies authorities, and the Government to consider offering the complete law programme here at the St. Augustine campus.

I thank you very much.

Sen. Surendranath Capildeo: Mr. Vice-President, if as the hon Minister has said, a university education is an investment, then we in Trinidad and Tobago are bankrupt. Just look at what we have produced. I am of the clear, firm, precise and concise view that the Government which economizes on education is by that token alone not fit to rule, for it deprives the children of the community of the weapons with which they must arm themselves to survive in order to struggle for an ordinary existence in the world today. That, Sir, is more important when you look at the wasteland that Trinidad and Tobago has become.

There is a definite link, in my opinion, between the abject failure of our education system over the last 37 years and the new breed of Trinidad and Tobago citizen. We are witnessing a breed who will commit crimes which exceed in atrocity the most horrendous crimes in Belsen and Auschwitz in the Nazi camps.

I want to use the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the year ended December 31, 1993 to illustrate the total incongruity and ineffectiveness of this piece of legislation before us. I will be very brief because every Senator here has this report. Paragraph 7.28:

"Extraordinary Receipts—\$522,230,397.55"

And the last line of paragraph 7.29:

"Reconciliations were not seen".

An Auditor's Report, detailing Extraordinary Receipts \$522,230,397.55, ending with the statement "Reconciliations were not seen" leaves you to wonder why we are not funding our students. Where has the money gone?

This is especially so when you look on the next page and see that in a budget of more than \$8 billion, education is more than \$835 million. Some 10 per cent of the budget of this country is devoted to education, and when one looks at the results one has to shrink in horror at what is taking place.

3.20 p.m

Loans to overseas students consequent up on devaluation, \$2.2m and lower down the page one would get an idea of the importance of education in this country when one see advances to public officers and other purposes, \$2.3m. One has to ask oneself, where does the true intent on this Government lie?

On another page one comes across a most extraordinary indictment that one could find in any accounting system, especially when one is told that this Bill

seeks to bridge the gap to assist the unfortunate, the people who cannot afford. The Government says that this Bill is to help people who cannot afford a university education, and then when one looks at the Auditor General's Report at paragraph 7.64 one sees:

"The balance of Outstanding Returned Cheques, (Dishonoured Cheques) increased from \$10,154,385.45 at December 31, 1992 to \$11,075,239.82 at December 31, 1993. The steady increase in the value of dishonoured cheques over the years demands urgent action by the revenue collection agencies to address the situation."

And the Government says that it is assisting poor people to go to university, and making a big fuss, having big law firms drafting encyclopedic deeds of trust, and it goes through all the machinations to establish all this funding and it has \$11 million outstanding. The Government is fooling people telling them it will help them pay for their education.

We now come to the classic, Sir: thefts, losses and other irregularities. Five hundred and six cases of thefts, losses and other irregularities were reported to this department during the year 1993. At December 31, 1993, 289 cases totalling \$10 million remained unsettled. I want to know from the Minister, what is the total cost of subsidizing our university students if it exceeds \$10 million? In your opinion, will this guarantee fund ever exceed \$10 million? We go again, Sir. Incidentally, we Members of Parliament who do not repay vehicle loans—

Overpayments, and I want to emphasize—I am very happy the Minister of Finance is here—the ridiculousness of talking about tertiary education and the lack of funds, when in respect of the Ministry of Education the Auditor General says:

"During 1993 three hundred and fifty (350) cases of overpayments, totalling \$658,108.51 were reported to this department. At December 31, 1993 the sum of \$119,999.78 was recovered."

If one cannot recover money from people who have been overpaid in Government departments, and who are easily identifiable, how will one recover it from impoverished students when there is no job guarantee for them at the end of their graduation? When they get this revolving loan and they graduate, and there is no work for them, where and how are they going to repay the loan? Moreso, when there is in the Government people who have taken \$658,000 and still have half a million dollars outstanding and cannot retrieve it. They would never collect those loans.

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Liquor stocks registers, are not maintained satisfactorily. For a country which imbibes the best, that is a most horrendous situation. The Minister should look into that carefully. We cannot maintain liquor stocks, we will maintain university students? That is a "Ramchandian" situation.

Now, let us get to the real serious part, Appendix B, and I am dealing specifically with the Ministry of Education. Summary of Unanswered Correspondence, No. of Memorandum Unanswered, Current Year 13, Previous Years 87. One cannot even get the Ministry of Education to answer a memoranda, and they are telling me that this Bill will provide tertiary education for our people? Again, we are fooling the country. We are engaged in a hoax on this country that we will probably live to regret unless and until the United National Congress walks over there and takes over. I can see it! *[Laughter]* Do not laugh! *[Interruption]* Laugh at it! Laugh and giggle.

Appendix C, Ministry of Education, overpayments: 350 amounting to \$658,000. I ask, how many students could be funded with that \$658,000, and how many books could be bought for the university library where they cannot buy books because they do not have the money? This kind of legislation is nonsensical and farcical in the reality of the situation, and I am not quoting from a UNC report; I am quoting from the Auditor General's Report of 1993.

We now come down to page after page in this report of thefts, losses and other irregularities—

Sen. Dr. Saith: On a point of order, Mr. Vice-President. I would like to know the relevance of the debate of the Auditor General's Report to the Bill before us. I would like a ruling on the relevance, Sir.

Mr. Vice-President: Sen. Capildeo, you are very familiar with the Standing Order treating with relevance. The purpose of the Bill before us in the introductory notes are:

- "(a) to enable the Government to establish the Fund...
- (b) to provide for the Auditor General to audit the Fund..."

I think you have made your point by very copious examples, would you please get back to the Bill:

Sen. S. Capildeo: Yes Sir, I am quoting from page 5, paragraph 3(2) of the Bill, it says:

"The purpose of the Fund is to facilitate the grant of loans by lending banks to University students for the payment of tuition fees."

The point I am making Sir, is that there would have been no necessity for such involved piece of legislation, and such an involved drafting of the conveyances which we have seen, if this Government, through the Auditor General, had been able to collect, for example, from the Ministry of Education, the amount of money that was stolen, \$330,425.69. The point I am making is, if the Minister could persuade the Ministry of Education to account for \$837,000 worth of items lost, he would not have to come to Parliament and argue the case for this Bill. The money would be there for the students. The students could be given the money on non-repayable loans. Give them grants and go ahead.

3.30 p.m.

Appendix G—If we could get a list of the unpaid cheques that the Ministry of Education had which amount to—I do not know how many hundreds of them—there would be no need to come to Parliament. It is a valid point. I understand what my friend, Sen. Dr. the Hon. Lenny Saith is embarrassed about.

The point is that if one could get the Ministry of Education to reconcile the 62 accounts—62 accounts they could not reconcile in the last year, and 12 to date, for this year. If we were able to get the financial job of this country properly done, then there would have been no need to burden the Senate with a bill of this nature, and we would have been able to do what we all want to do, that is, to fund our students with respect to tertiary education on a grant basis. Live up to the ideals of your founding father: free secondary education—and with that, let me tell you what free secondary education costs.

For a child who is going into Form IV—the booklist is still not yet completed—\$1,049.26. Where are people going to find this kind of money? It is not even university stage as yet. And you are going to have more children just now again.

The only resource this country really has, notwithstanding the oil, the free zone, the gas and all the things they sold out for the \$500 million, is our children. Unless we can provide our children with the tools with which to arm themselves to survive in this world, we would reduce ourselves to a state of barbarism in a very short space of time.

The hon. Minister of Finance, I think, knows what I am talking about. He has been abroad so often that he has probably forgotten what our local conditions are like. If we

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do not educate our children and give them the cutting edge of education in computer technology and in science, we would have failed in this country and we would produce the headlines we are producing day after day in this country. I am so grateful to the Minister who laid this report; I wonder if he knew what he did.

The point is that with evidence staring me in the face, evidence that is contained in this Report of the Auditor General, I could not sit still and allow this hon. Minister of Finance to come here and with all the Harvardian expressions, tell this country, "Look, we are arranging for loans so your children can have tertiary education," when he knows that the percentage of children who are having tertiary education will have no impact on our well-being.

Unless we increase, expand and improve to the point where there is almost a 100 per cent increase in the number of students at the University of the West Indies and unless we fund UWI in the manner in which it ought to be funded, this country is going to slip into prehistoric times in education.

The outside world is moving at such a pace—and the Minister knows it—that we are receding in terms of education; we are not even treading water; we are sinking. All our brilliant children are not coming back and the people who are here are leaving. The simple reason is that we do not have the facilities at the university; we do not have the facilities in private industry, and we see a new spectre in private industry influencing this Government, which makes me ashamed.

You cannot allow big business to dictate to you like that. You have to create an intellectual oligarchy, not a parasitic oligarchy. Your function as the children of Eric Williams—you know why that man said that he wanted to be cremated? It was because he would be rolling over in his grave so much.

Mr. Vice-President, I want to close on a very serious note. Again I say, notwithstanding what we do in our industries, in our agriculture, our only resource is the people of this country. Our people can only survive in the world if they are educated, and we have failed, and we will continue to fail if this kind of mismanagement continues. Do not fool the people, do not make them believe that the children will be getting tertiary education, when the university is collapsing on us.

For a firm like K-Mart to have the audacity to look at Trinidad on the map and probably have Trinidadian advisers telling them "there is a nice piece of land out there, go and take it," it shows the level of appreciation of university education in

this country. We have a long way to go to educate our people as to values in this country and we have lost it. We have destroyed our educational system to the extent that we are producing the people whom the lawyers are trying to save now. Do you see what the problems will lead to? And you have the Privy Council looking at you—I cannot use the adjective of what they are doing, but it is like the little Danish statue.

Mr. Vice-President, let me close with an appeal to this Minister of Finance. With the education that he enjoyed, that he make an effort to find the money, so that bills like this will not see the light of day; that he would come here and say, "I have established a \$25 million trust fund to enable all our children from our VI Forms to go to university." That is the kind of bill I want to see come here.

I thank you.

The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith): Mr. Vice-President, twice Sen. Capildeo indicated that he was going to get serious. Unfortunately, he flattered to deceive. Let me, however, take off from his contribution in respect of his statement that the Government should really be funding fully the university and that there should be no need for students to take a loan.

I think we should understand how the university is funded, what is the contribution of the Government and what is the contribution of the student. The university in 1994 has put out on its own calculation the costs per student of providing training in various fields, for example:

	\$
Agriculture	49,800.00
Arts and General Studies	26,900.00
Education	25,800.00
Engineering	49,000.00
Law	33,400.00
Medical sciences: pre-clinical	66,700.00
Clinical	100,600.00
Natural Sciences	40,300.00
Social Sciences	22,900.00

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The Government funds—if the student has to pay 15 per cent—roughly 85 per cent of that cost. That is the Government's contribution. Therefore a student under the new arrangement of 15 per cent fee has to pay the following:

	\$
Agriculture	7,500.00
Arts and General Studies	4,000.00
Engineering	7,400.00
Law	5,000.00
Natural Science	6,000.00
Social Science	3,400.00
Education	3,900.00

I shall leave the medical faculty, at this point and return to it in a while.

3.40 p.m.

The students who have been accepted at the university have to find between \$4,000 and \$7,000 for the 15 per cent fee. What the Government has sought to do is to ensure that in finding that money, if they are unable to access it on their own, some arrangement is in place whereby 90 per cent of the amount could be obtained by way of a loan.

The number of students enrolled at the St. Augustine campus is 4,574. The Government has to find, in effect, 85 per cent of the cost in relation to these students. On the basis of an agreement—the discussions which took place between the university and the Government—the contribution of the Government of Trinidad and Tobago to the University of the West Indies for the 1993–1994 term is \$92.7 million.

I now turn to Mount Hope. At Mount Hope there are 457 local students. The Government funds scholarship holders fully; funds sponsored students to the full extent of their fees, and for all other local students at the faculty, it pays 50 per cent of the fees. In other words, if \$66,000 is charged by the university, the Government pays \$33,000, and the student is required to pay \$33,000.

As a result of that arrangement, for 457 students at the Faculty of Medical Sciences, the Government is funding that faculty to the tune of \$13.5 million plus \$8.8 million—which is the 50 per cent fee being funded—a total of \$21.5 million.

So that the Government is providing substantial resources to the university to allow students of Trinidad and Tobago to receive tertiary education.

What the Government is seeking to do in this Bill, given the fact that the university has now set a fee of 15 per cent, is to find a mechanism to assist students who, given their circumstances, cannot find that 15 per cent, to get it through a loan.

Sir, before I move off the Faculty of Medical Sciences, let me deal with the matter of the dental school. I was hoping that some of my university friends here would have indicated the relationship between the Government and the university with respect to matters like accreditation, its curriculum, its courses, people it hires and all matters relating to the academic world out there. The university is autonomous; it has its own structure to deal with the courses it teaches, the people it hires to teach those courses and its accreditation. The Government is not involved. The Government just provides the funds for the university.

Therefore, when this whole issue about the students at the dental school first arose, like everyone else, the Government was concerned. Either late last year or early this year, on behalf of the Government, as the Minister responsible for tertiary education, I wrote to the Principal of the St. Augustine Campus and also the Vice-Chancellor of the University, indicating that this matter had been raised, it had come to the Government's attention that there was concern about the Faculty of Medical Sciences, in particular the Dental School, and asking them to do whatever was necessary to ensure that these concerns were dealt with. The Government continues to seek to have dialogue with the Principal, and, if necessary with the Vice-Chancellor, on the matter. I want to make it clear that this is a university problem; it has to be solved and dealt with by the university administration.

Sen. W. Mark: Mr. Vice-President, on a point of clarification. Could the Minister indicate whether he has received any responses from the Vice-Chancellor as well as the Principal on the question of accreditation?

Sen. Dr. The Hon. L. Saith: Yes, Mr. Vice-President. I was written to by both gentlemen, who indicated that they were aware of the issue raised and they were taking steps to deal with it.

I think it was Sen. Mark who indicated that there was a Grand Anse Declaration which set a path for the university in science and technology and that nothing had been done about it. I think that was the gist of his contribution.

Sen. W. Mark: On a point of clarification, Mr. Vice-President. I did not say nothing had been done; I was saying we have to establish a link between our lending programme and its development thrust, and I was asking the Minister if he could establish that for me.

Sen. Dr. The Hon. L. Saith: Mr. Vice-President, as we all know—I think the document was laid in this Parliament—as a result of that declaration there was a loan negotiated with the Inter-American Development Bank by the university to expand in the field of science and technology. This Government has guaranteed a substantive portion of that loan and it sets out a programme and a plan for development of the university in the future.

This Bill does not seek to discriminate among the students of the university, it is to provide a loan for students there. It has been accepted that courses are being run at the university; it has been accepted at the university that the Government is putting up 85 per cent of the cost for those students, and, therefore, it does not discriminate among the students at the university.

Representatives of the university have assured me at meetings that they are doing some manpower planning, they are doing some analysis of what the needs of the country would be, what the needs of the Caribbean would be, to influence their own thinking in terms of courses which they would want to expand, those that they would want to close and those which they need to introduce.

Discussions are taking place between the university and the Ministry of Planning and Development to see how far one can go with some kind of forward planning of manpower needs, bearing in mind that skills and technologies are changing so fast in this modern world that the most one could hope to do is to set some guidelines for development rather than specific numbers. The university is well aware, as I have indicated on more than one occasion, of the need to do this exercise as part of its own relevance to Trinidad and Tobago and to the Caribbean.

I believe Sen. Wade Mark made some comments as to how much money would be necessary for the fund, and he wanted to know what the amount was. It is clearly stated that the guarantee fund seeks to have 50 per cent of the amount of loans disbursed at any given time.

As a matter of interest, although the University Students (Guarantee Fund) Bill has not yet been passed, the banks, on the basis of a letter of comfort from the Government, have dealt with loan applications for the 1993–94 term. The information I have is that the number of loans issued for the 1993–94 session of

the university was 724—out of a total student population of about 4500—and the total value of those loans was \$5,683,000.00.

3.50 p.m.

The loan agreement also provides for the situation where a student has failed a year. What the loan agreement says is that—

"Students would be restricted to three annual loans for a three-year degree programme and five annual loans for a five-year degree programme. Students who do not successfully complete any year of their studies...would be able to access the fund for only one additional year."

In other words, in a three-year course, normally, they would get three annual loans, but if they are unable, in any year, to successfully complete that year, they are allowed one additional year—only one.

The loan provides for a moratorium of one year after the loan period before the repayment starts. Loan repayment will be spread over five years, except for agriculture, engineering, and medical sciences where repayment will be over seven years. In the case of a student, who, during that period, wishes to pursue post-graduate studies, the bank would, on request, consider a temporary suspension of payment of a previous loan for the period of post-graduate studies but for a period not exceeding two years.

In other words, there is provision that having graduated, if you are working and you are up to date on your loan payments and you wish to do post graduate work, you will be given a two-year period while you are doing your post-graduate course to allow you to start paying again at the end of the post-graduate period.

Like Sen. Teelucksingh, I would have been very happy if we could have found an arrangement that kept the Government totally out of it. We know, from the experience with the Students' Revolving Loan Fund, from the money that was lent under the Cess Act, from the money that was lent when the dollar was devalued, to overseas students, that there is a difficulty in having money repaid when the Government is the direct lender.

The original mandate of the team that studied this matter was to find a mechanism which kept the Government totally out of it. The team comprised people in the public service, the banks, and the university. This matter was discussed at length and the establishment of a guarantee fund is, in fact, the best way at the moment that we see of having a loan scheme operational. Without it, there would be no loan scheme for students.

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It is also the reason why the Bill provides for a review at 30 June, 1998, in three and a half years' time, where we would review the Bill and the working of the fund. It is my hope that this arrangement—where we have sought to have the Government as a last resort, and to ensure that the commercial banks operate the loan scheme—would minimize the rate at which people fail to repay their loans.

There is risk involved. There is always the possibility, because of certain conditions which may apply in someone's life at a particular time, that there may be a situation of default. The banks will seek, as far as possible, to deal with such situations. I can only say to Sen. Teelucksingh that, like him, I would have been happy to have the situation where this did not occur, but this is the best we can do at this time.

Sen. W. Mark: On a point of clarification. Could the Minister give a comparative analysis? He did mention some figures for 1994—a kind of breakdown on the faculties, giving the expenditure that each student is costing the country as a whole. Does he have any comparative figure on per capita expenditure for students for previous years, to determine whether the cost is rising or falling, per capita expenditure?

Sen. Dr. The Hon. L. Saith: I really do not know what he is asking me.

Sen. W. Mark: For each student, The Minister indicated in his statement for 1994, that it was costing the Government of Trinidad and Tobago a certain amount of money to educate each student in each faculty. I am asking if he can give us a comparative analysis. For instance, does he have figures for 1992 to show what it cost to educate each student then?

Sen. Dr. The Hon. L. Saith: My understanding of the figures is that the figure today is higher than it was in 1992. That is my answer. I do not have the figures.

Sen. Prof. Lawrence Wilson: Mr. Vice-President, let me start by giving a word of clarification on the cost of education in the University of the West Indies. The figures quoted by Sen. Dr. Saith have remained relatively constant over the years; and that is because the university has had to trim its expenses in accordance with the receipts from Government and from fees that it has got.

But let me go on to the business of this afternoon, which is the Bill before us, and remind hon. Senators of the urgency of this Bill. Ever since the university was founded in 1948, there has been a written and unwritten law that students are not registered unless they pay their fees. Although the fees were small this has continued for 45 years, or so.

In 1993–94 we had to break this unwritten law because of the increased fees which the students could not meet; and because of the failure to come to an agreement for loans you had to allow students to register without paying their fees. However, these students have been treated as having paid their fees completely. We have not withheld their examination results or any of the resources that they should get and, therefore, they are fully registered students.

I think one Senator made the comment that students did not graduate because they did not pay fees. Let me say, straight off, that this is not true. The students have all graduated; we have corrected all their scripts and published all the results, so that no student has been disadvantaged because she/he has not paid the fees.

4.00 p.m.

However, come the new academic year, the end of August to early September, 1994—that is the 1994–1995 academic year—the university will be very hard-pressed to register students if they do not pay their fees. I would find it very difficult to believe that the university will register students for the 1994-1995 academic year if they have not paid their fees. I would be very, very surprised if this happens.

This draws to the attention of this honourable Senate the urgency of this Bill. Not only the urgency of passing this Bill to avoid confrontation among the students, university and Government with respect to university fees, but also to allow the students to register and to pursue their courses.

Think of a student who has completed his first year in 1993–1994 and comes to register for 1994–1995, or a second-year student who finishes his second year 1993–1994, comes to register for his final year of examination and does not have his fees and the university tells him that he cannot register because he has not paid his fees.

This is what could very well happen if all the preconditions for the disbursement of loans are not completed in time for the new academic year which is in a few weeks. As I understand it, this Bill must be passed. There is an agreement which must be executed and there is also a deed of trust which must be put in place so that there can be a trustee. All these things, then of course, the guarantee fund must be topped up so that the banks could be satisfied to disburse the loans to the students. All these things must be done in the next three to four weeks if students are to get loans, if the university is to get its fees, and if the registrar is to register students when they come.

This is why I would urge this Senate to treat this Bill with the utmost urgency, lest we have a fracas on our hands with students demonstrating and all the disturbances that we know can happen at a university.

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Let me touch on a few other points that have been raised in the course of the debate. First of all, it has been said over and over that the university is in a position of crisis with respect to funds. This is true. The university is in a crisis with respect to funds, both for its budget and for its cash flow. With respect to budget, as is known, the university has increased its fees to students and, as the Minister has said, it is quite likely that these fees will be increased further in order to meet the increasing costs, particularly of science and technology disciplines.

It is quite true that the Government has said to us that we must increase the number of graduates coming out in the area of science and technology. It is evident to us that we must do so, but the costs of doing so are astronomical. The costs of outfitting a faculty of engineering, faculty of medical sciences, faculty of agriculture, faculty of natural science with all the new equipment that students should at least see, if not touch—all this equipment must be put in place. Therefore, these costs cannot be met easily unless there is an increased contribution from the students.

That is not to say the university is not making efforts to raise funds outside Government and internationally. The university has made tremendous efforts, particularly since Vice-Chancellor McIntyre has been on stream, to raise funds internationally. Through the assistance of the Governments in the region, an IDB loan of some US \$56 million has been raised. The university has also raised funds from the Caribbean Development Bank for distance teaching, from CIDA, from the EEC, from Forde and USA—not loans, but grants. The IDB one is a loan; most of the others are grants.

But most of these loans or grants are either for equipment or buildings and infrastructure, among other things. We do not get loans or grants for salaries. It is in this respect that the university suffers. The salaries are not competitive, as someone said, either with Barbados or Jamaica, far less with salaries outside the region. Trinidad and Tobago is a relatively low-salary campus, whether it is compared with the region or outside.

This is the source of the problem in the School of Dentistry. Because of the low salaries offered to dentists, they do not come. We bring them from all parts of the world here for interviews; we interview them; they look around and when we talk to them about salaries, they say: "We thought that these salaries are US dollars." We say, "No. They are TT dollars." Then they say, "Thank you very much. We want to go back."

As a result of that problem, the School of Dentistry has not had its full complement of teachers for some time. As a result of that problem also, the School of Dentistry, to the agony of many other academics on the campus, had to go to the university authorities to ask for a special allowance to dentists to encourage them to come.

Although it was agreed, reluctantly, to allow the School of Dentistry to proceed, one could imagine that academics and other disciplines, particularly in medicine, are quite dissatisfied that the dentists are getting an extra bit to encourage them to come. Also, we have had to recruit on a part-time basis, on a month-to-month basis, dentists from the United States and elsewhere, just to get the programme completed. The problem is a university problem, yes, but it is a problem that has to do with the structure of university fees, the structure of university salaries and so forth. That is the accreditation.

Concerning the defaulters—much was said about defaulters. It is embarrassing, both on an individual basis and on an institutional basis, that there are so many defaulters. It means that the Bill that we are debating here this afternoon is almost set up to deal with them, because if there were no defaulters, there would be no need for this Bill to set up a guarantee fund. It is both individually and institutionally embarrassing that this has to be done, but this does not take away from the urgency of the measure to put the fee structure and the registration in place.

Finally, concerning the relationship between human resource development and this loan scheme that is developed, the university will be very, very reluctant to set up a system whereby it chooses careers and disciplines for people, but the students know very well what disciplines they ought to follow in order to get employment. This is seen very, very clearly in the disciplines of the university. Those disciplines in which there is good employment, there would be many students. Those in which much employment is not found, there are very few students. So there is a self-regulating mechanism.

The youngsters of today are not bleary-eyed like those of us who studied because we liked a specific job. They look very hard at the economic situation and they decide what they are going to do depending on the kind of job that they would get. I do not have any difficulty with the need for increasing science and technology at the University of the West Indies for the Caribbean because there is an increase in registration of science and technology, in natural science, in agriculture, in engineering, in medicine. Although the increase is not nearly enough, one hopes there will be further increases in science and technology to meet the need.

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But, having said that, one must say that science and technology is for the society and that in order to apply science and technology to society, one must have a fair knowledge of social sciences and the humanities to understand how science and technology should be applied to society. Therefore, I would not at all support the reduction in the social sciences and the humanities, because these disciplines themselves are going to facilitate the improvement in science and technology that we are looking for.

4.10 p.m.

Let me again tell this honourable Senate that this Bill is extremely urgent. It satisfies and it makes way for solving part of the university's problem in its budget and in its cash flow. It is urgent because the university's 1994–1995 academic year begins earlier this year; it begins at the end of August. The first week of September is the first week of teaching. We will have a severe crisis on our hands if this Bill is not passed, if the students do not receive their loans, if the university does not receive its fees and if the students cannot register. Therefore, we urge and ask that the Bill be passed in its entirety.

Thank you very much.

Sen. Andre Maloney: Mr. Vice-President, today I wish to reassure all, of our Government's recognition of and commitment to the development of our young people.

It must be noted that this Government has demonstrated a consistent track record in providing educational opportunities at the highest level to all members of our society. The opportunity for deserving students to access tertiary education is one which we all embrace. Our young people are accepting this challenge. The increase in additional spaces in advanced level classes throughout the country must be noted.

In our effort to keep up with competitive times, many students recognize the need to acquire the managerial and technological skills needed in our fast changing environment. As we approach an era of change, clearly our Government recognizes its role in expanding opportunities to increase the level of confidence necessary for young persons to access the market place. Indeed, we believe that the future of a well-trained workforce is an important catalyst for economic development. It is known to all, that the business world is now more knowledge-intensive and technological based. As we look into the future I believe that the intellectual function of our graduates will indeed forge a new era of innovative thinkers, facing new challenges in a realistic and clear way.

As we approach change in this society—we must approach clearly—our trade unions must really find their role in this present day. There must be change in the attitude of educators, change in their graveyard ideological thinking. We must support measures for clearer and efficient functioning of our institutions, especially our Government institutions, and we recognize that role—all in sharing in the vision of opportunities and positive thinking.

I wish to reassure all young people today to stay focused, share in the realistic issues of the day abandoning all the graveyard ideologies that they get from their secondary education. Abandon that thinking. Abandon the thoughts that you hear emanating from this Parliament also.

On the post of our emancipation celebrations I wish to share just a few thoughts on a viewpoint taken from the *Daily Express*. It is a point shared by Dr. Selwyn Ryan, a political scientist. I heard Sen. Suren Capildeo, indeed, express his thought about a certain breed that is generating in our society today. He mentioned a certain breed that is on death row. I wish to reassure him on the post of emancipation that I am concerned about that breed also. I quote:

"Black families, educators, and other support groups must, as a matter of urgency, make it clear to black youth given that what is taking place in the national and international economy in respect of what types of skills are needed in the hyper competitive post modern job market, they must stay in the school system at all levels longer than they currently do, if they want to avoid being trapped in the vast emerging underclass; they have to choose programmes of study more intelligently than they currently do; that they have to learn how to apply for jobs and how to present themselves to prospective employers."

Indeed, I am concerned also. To my peers, whether you are from Maloney, Caroni or Laventille, let us strive for positive results. Search within ourselves for that inert talent, shedding the negative thoughts of colour, race and class. Let us embrace change. At this stage of our development let us be the sense of hope to our peers.

As a Government, we remain committed to impressing upon our students the critical importance of education as the vehicle for our future development. Today, as the winds of change blow we are providing that effective leadership. Leadership which understands that life is transitory, ever-changing and taking into account new needs assessment. Leadership with people as its focus sharing a national vision for opportunity for all, ever mindful of the movement of our times.

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Clearly this guarantee fund recognizes that spirit of movement within our people as its focus. Yes, our people are seriously taking a critical look at the institutions and machinery necessary for the conduct and delivery of service. It is here we all recognize the problems that were associated with the Students' Revolving Loan Fund programme.

This Bill sets out to provide the same service. However, with efficiency in delivery and continuity coupled with effective management of this fund, let it be known to all, as a government our role may change, but our commitment remains the same. As we set the stage, clearly everyone has a part to play. To our youth, it is your spirit, enterprise and spirit of innovativeness that will redefine the image of youth.

I remain confident that there is a new cadre of leaders ready to take on that new era of change.

Thank you, Mr. Vice-President.

Sen. Everard Dean: Mr. Vice-President, while I understand the reasons for this Bill as outlined in the Explanatory Note, I fear, Sir, that we are returning to the position where tertiary education will be available only to the privileged class. I hate to use that term but the fact remains that in a declining economy where people are losing their jobs through VSEP, down-sizing or whatever, the children of the poor would have fewer opportunities for tertiary education, and those opportunities would be further diminished as the years go by. I am in full agreement with Prof. Wilson that there is an urgency for the passage of this Bill. There is a release from the Principal of the University of the West Indies that I read yesterday on page 13 of the *Trinidad Guardian*. I shall quote part of it:

"The issue however has serious implications for the 1994 graduating class, since hundreds of students whose tuition fees have not been paid, were allowed to write examinations. Results have been released and posted on bulletin boards at the University.

Professor Richards emphasized last week that examination transcripts will not be issued to students until the settlement of the outstanding payment."

Mr. Vice-President, this brings to attention the urgency of this Bill. Although, I feel it is a bit late in the day, I intend to support this Bill as presented.

4.20 p.m.

If I am a bit repetitious as regards what has already been said, it is only for the sake of emphasis. Again, I interject once more into the debate the dilemma of the

graduating students of the dental school who are now in a cloud of uncertainty with respect to their accreditation. I ask the Minister responsible to continue the discussions with the people at the university with the view of having this matter resolved as soon as possible.

I have a letter from a lecturer at the University of the West Indies. It is written to a student of the School of Dentistry. He was invited to a meeting to discuss the situation. He said:

"I am sorry I am unable to attend the meeting you and your classmates are organising for tomorrow evening with yourselves, your parents and part-time demonstrators. Always when any of the dental students have asked for my opinion on the status of the dental course, I have always tried to be open in my views. Many of my colleagues have similar views to me and it is basically that the degree course in dental surgery at the dental school is so severely deficient in the general teaching of dentistry that it is fraudulent to continue collecting fees for teaching which cannot hope to prepare students to sit final exams."

The letter continued:

"This is a sweeping statement and it is not thoughtlessly made."

I thought I would read that section into the record because the author is a very recognized person at the School of Dentistry.

I also have another letter written by Prof. John Suite.

Mr. Vice-President: While I have been allowing some discussion on the question of accreditation and the School of Dentistry to take place, that is not really the issue before us. I suggest that you move on. I think the point has been made by several speakers before you about the concerns of the lack of accreditation for those dental students. I think you should proceed.

Sen. E. Dean: Thank you, for your guidance, Mr. Vice-President.

Let me touch on the question of the fees, as indicated by Sen. Dr. Saith, for the medical sciences class. It was brought to attention that the first set of fees for the medical students, I think it was in the vicinity of \$15,100 which reflected 15 per cent of the then economic cost. To date, the Minister pointed out, it has risen to \$66,000 for the one to four-year students of which the Government has agreed to pay 50 per cent.

It seems to me that notwithstanding the clause in the information which says that the fees and estimated costs stated in the brochure are accurate at the date of its

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publication, but are subject to change at short notice, the students and parents have suffered to some extent, in the sense that while they were expecting to pay \$15,100, at very short notice, they were asked to pay \$33,000.

I must state, however, that in looking at the situation I am very happy to note that the Minister of Planning and Development has in fact, addressed this situation and made some concession to the tune of 50 per cent of that \$66,000. I think that is greatly appreciated, even by the hard-pressed students and parents. What one is trying to get is some further consideration so that the medical students would not continue to go through the kind of trauma and dilemma that they have been going through for the past two years. I know that you have made your ruling on going off a bit, Sir, but you would forgive me. I cannot resist the temptation of bringing this to the attention of the Senate.

There is another matter dealing with the Sir Hugh Wooding Law School. I recall that in January 1994, during my contribution in the debate on the Cipriani Labour College, I mentioned that I was told that at the Hugh Wooding Law School the student lawyers were paying under \$500 for the 1993 academic year. I called for some action to be taken in that regard. Today we have the university going through hard times because of that minor contributing factor.

It is my view that when the powers that be are looking at possibly restructuring that university—I disagree with my colleague Sen. Teelucksingh that we should bring the whole faculty to Trinidad and Tobago; to my mind there are too many attorneys walking through the gates of the law school in Trinidad and Tobago. I take the opposite view that it is time that we put a stop to that and let us have something like a moratorium for the next five to seven years on lawyers coming through the Hugh Wooding Law School.

I am treading on hallowed ground but we are here with lawyers and senior counsel at that and it might be possible to look at that situation, because the students are graduating and there is no work for them. They are not in the system as far as I understand and they need to find something else to do.

4.30 p.m.

We look at the payments and the rate that students are expected to pay. I think it is 5 1/4 per cent below the base rate of 15 3/4 per cent, which is approximately 10 1/2 per cent. In recent times we know that the bank rate went up by at least one per cent. This additional expenditure would mean a further burden on the students and their parents, who, in some instances, have even mortgaged their property to see their children through school, and some of them, unfortunately, have been unsuccessful in their examination.

Mr. Vice-President: How much longer do you intend to continue?

Sen. E. Dean: Two minutes.

Some of them would obviously be at a disadvantage in meeting the stipulated payments and I am asking, between the Government and the university, notwithstanding that further six months for the loan, that something a little more tangible be offered those students to assist them in continuing their education to obtain their degree.

Thank you very much.

4.32 p.m.: *Sitting suspended.*

5.07 p.m.: *Sitting resumed.*

Sen. Prof. Kenneth Ramchand: Mr. Vice-President, I am speaking with a certain measure of reluctance because the university is as close to me as my ribs, and as intimate as blood. I know that this is not the time for entering into a disquisition upon the nature and function of the university; I hope you will forgive me, however, if I have one or two stanzas of that nature.

It was my intention to lend simple support to this Bill that seeks to establish a guarantee fund for the purpose of facilitating certain loans to university students. On the face of it, it is urgent that this Bill be passed, and I may speak against it but still vote for it. I do not think this is a bad thing, Mr. Vice-President. If people who belong to political parties were allowed to speak freely during parliamentary debates, after having given an undertaking to vote for the position democratically arrived at by their party, I am sure this Parliament and the country would be a more peaceful place.

It is urgent that this Bill be passed. For the academic year 1993/1994, the university has registered and examined first-year and second-year students who could not pay their fees, because the banks were unwilling to grant them loans and to turn over the moneys to the University of the West Indies, even after collecting deposits from these students.

For the academic year 1993/1994, as Prof. Wilson has pointed out, the university has graduated its final-year students, but has had to withhold transcripts because these students were unable to pay their fees. In 1994/1995, the university would find it almost impossible to continue to do without the funds to carry on its proper business. That is why I think I am going to support the Bill. Over the last few years, that is, since the introduction of the cess, it has been noticeable that many students who come from the lower income families have not been able to

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take up places for which they were fully qualified. The places, however, have gone to students from higher income homes with lesser academic qualifications. If I support this Bill, I am supporting it on the understanding that the loans will be available to applicants on the basis of their academic qualifications for entry, and this would be the main criterion for determining who shall get loans.

There were a number of questions which I wanted to raise, and which have been raised with passion by Sen. Wade Mark. I give these questions as they arose in my mind. How much interest will be charged by the banks, and what kind of guarantee do we have that they will not from year to year increase the interest rate without any kind of supervision or control?

Who will pay the expenses incurred by the banks in their attempts to recover money from the defaulting students? Does the Government have a plan to recover money from the defaulting students, a plan that the banks would be unable to devise and implement? Or will the Government, in effect, be paying off the debts and leaving it at that? Why should the banks collect interest without risk and without expense?

If the Government wants to return to subsidizing university education, would it not be better to make a larger subvention to the University of the West Indies? Cut out the middle man, as it were, and let the fees be lowered. Allow the university to administer a means test to determine the size of the grant—or I would prefer to call it salary—that a student would be paid to attend the university. I think it is something like this that many institutions overseas do. One would get admitted and then they would tell you that you will get a grant of \$5,000, meaning, we have examined your parents' resources and we see that you can afford to pay \$6,000, therefore your grant is \$5,000 if the total fee is \$11,000.

Instead of the Government just paying off the bad debts, I would have much preferred that the fees be lowered by the amount of bad debt the university would have paid and the state and university allowed to work out a means test and a system of graduated fees for our students.

After listening to Sen. Wade Mark, I believe that answers to these questions would increase one's reluctance to support the Bill in its present form. After listening to Sen. Wade Mark, out of whose so-called cerebral obfuscations I, for one, saw some lightning flashes, and after digesting some of the premises in the Minister's presentation of the Bill, I feel I have to make some remarks of a general nature.

5.15 p.m.

The Minister emphasized that university education increases the earning capacity of the individual. I am sure that he has other values for a university education, but I feel unhappy that the economic result of a university education should be foregrounded. It is already the case throughout the society that everybody calculates everything in these narrow economic terms. I think a university education is to be valued for many things other than the fact that it increases one's earning capacity.

I agree wholeheartedly with the Minister that pre-primary and primary education are crucial areas in the educational chain. How else would we be able, not only to establish a proper foundation, but also—and very importantly in the kind of society we have—to make up for the gross social inequalities that exist in our society?

How else can we make up for those gross social inequalities, if we do not set up primary and pre-primary facilities that would be capable of taking the place, for many children, of the nurturing environment that so many homes in this country cannot provide? I agree with him, that the primary and the pre-primary systems must have priority in the allocation of resources. But while I agree with him, I believe that the Minister may have evaded, perhaps deliberately, but certainly neatly, the real issue facing the society.

The problem is not to juggle priorities within the education subvention. I could say that I am disturbed that the role of the arts and humanities is usually underplayed when this kind of juggling is done; although I am not surprised, because our artistes are the ones who have effected the most challenging and radical analyses of who we are and why we are, and I do not expect politicians to like that. Our problem is not to juggle priorities within the education subvention.

We have a larger question, a more far-reaching question, of priorities as between education and other calls upon the resources of the state. If education is valued for increasing earning capacity, if education is directed towards making the society more technical, I think that such a bread and butter approach will offer a denatured and degraded view of education.

I cannot, in this place, enter a philosophical discussion about what is education and what is education for. I cannot expand upon my feeling that the poor University of the West Indies has for too long been burdened with having to carry the strains of all types of tertiary education.

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Sometimes when I go to the lecture room to lecture I see about five students there who really ought to be taking a course in welding. But they are going to the university because we do not have a polytechnic, we do not have the technical institutions, we do not have the community colleges that will be a better place for these persons; a place where they can see and develop their own creativity in something that is more second nature to them. These poor fellows have to get up in the middle of a lecture and say, "Prof. Ramchand, can you tell me what are the three key chapters in this novel?" I am lecturing to people on a novel, and they put their hands up and ask for the three key chapters, so that they could study them for their examinations.

The university is a kind of mixed institution with mixed kinds of successes and it has a miscellaneous reputation because it has to carry the burden of a failure by successive governments to sit down and work out a proper policy about the different kinds of tertiary education.

As for the large question of what education is and what education is for, I cannot argue the case here. I would say very briefly, however, that the function of education and university education is to create a thinking society; to produce individuals alive in their time and to their time; to produce intellectuals, who know what an intellectual is and does.

A man with a university degree is not necessarily an intellectual. A man in an ivory tower is not necessarily an intellectual, a dotish fella is not an intellectual. Many people like to think that—Oh God boy, that man stupid; he is a real intellectual. These are not intellectuals.

An intellectual is a person whose mind has been trained in a specific discipline, and whose mind has been trained on that discipline, so that he can apply that mind to many different fields and areas. He can apply that mind to many problems and issues in a society. Mr. Vice President, before you quote Standing Order 35 or whatever to me, let me say that an economic view of education might lose sight of the kind of the education I am talking about.

In the middle of the 19th century an Englishman travelled through the West Indies and he wrote a book about West Indian societies, in which he denigrated the capacity of the person of African origin to create a society and build a world. He said as soon as they (the colonisers) turned their backs, these fellows will tear off their clothes and go back to the bush.

A man of African origin called John Jacob Thomas, and our first intellectual, a man who had written the first West Indian book in linguistic science, *A theory of*

creole grammar in the 1860's and who insisted that the creole or the patois was a language in its own right and we are a people with a language, bent his mind to a debate with this great English historian James Anthony Froude and he set the pattern for the irreverence, the width, the strictness, the knowledge, the capacity to debate of the kind of intellectual I am thinking about. He called his book, *Froudeacity*, meaning that Froude was going on with a lot of "acity". In chapter after chapter he did a systematic untuning of Froude's book.

5.25 p.m.

We all know C.L.R. James, Walter Rodney, George Lamming, Lloyd Best. The main purpose of the university is to produce critical minds of this sort, people who are deeply versed in specific disciplines but who write and speak at large, about the nature of our society. I have had my battles with the university about our priorities, our need to be economical and fully accountable, but I have never lost sight of the fact that the university has a critical role to play.

I do not agree with Sen. Wade Mark—and I will speak to him later—that there is rigor mortis in the university, but I do agree with him that the university is being forced to carry on its work in the teeth of every kind of discouragement. I commend Sen. Wade Mark for recognizing that there have been massive and criminal cuts and that the university has had to make many downward adjustments.

I believe that if the university had gumption from the start, it would have set the pace, it would have determined the aims and purposes of the university; it would not have allowed Government Ministers and other politicians with their talk about manpower needs and earning capacity and the need to master borrowed or rather expensively purchased foreign technology; it would not have allowed these people to determine the priorities of the university.

I am quite critical of many aspects of the university. Much of the confusion in our society stems from a system of miseducation in the formal provision. We have perpetuated the colonial mentality and colonial approaches through the formal system. We have built on this a supplementary cultivation of mindlessness through the electronic media. We have drifted into a brutal value system based upon the possession of money and the acquisition of power.

I would not be allowed to go much further in this vein. I, therefore, end with an assertion and a statement of what the university needs, why the kind of financial support that is now being provided has to be provided, and why I support the Bill even though I am against many of its implications.

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Ours is a society bereft of critical thinking, totally lacking in curiosity. As a result, we are a society incapable of discussion, debate and the discovery of consensus. If decisions about funding the university were to be based upon one consideration, it should be this: the function of the university is to produce informed people, capable of critical thinking and able to put their minds together to solve, in their own way, the developmental problems of the society.

Mr. Vice-President, it is because I have this love and appreciation of and value for the university that I reluctantly support the Bill.

Thank you.

Sen. Wilton Paul: Mr. Vice-President, I did not intend to contribute to this debate today but it is, in my opinion, a reasonably simple approach when one looks at a Bill that is in the interest of improving the education of people who want to acquire university education. It is a Bill to establish a guarantee fund for the purpose of facilitating certain loans to university students and for matters incidental thereto.

Looking at the Bill, even cursorily, it is difficult for any person in his right mind, with a reasonable education, who thinks of proper technology and proper learning, to refuse such a proposal. When Sen. Wilson reminds us of the many things that have contributed to the not quite demise of the university—but it is on the brink of being shut down—if certain things do not happen. We have been reminded of all the things that have gone before such as the economic status of the country whereby money has been devalued; Economics generally have been low and, to add insult to injury, the students have not been paying their fees. That is something I cannot quite fathom coming from people who want to be educated. As Sen. Ramchand said, maybe some of them should be welders. Well, that is not a very nice thing to say but it proves that the mentality is not really what I would term university mentality.

[Sen. Prof. Ramchand rose]

Mr. Vice-President: Sen. Ramchand, do you have a point of clarification?

Sen. Ramchand: Yes, indeed, Sir. I really have no objection to welding; I think it is a fine job, and one of my best friends is a welder.

Sen. W. Paul: Mr. Vice-President, I can attach the lack of non-payment to roughnecks who may not want to pay a bank for one reason or another, and it is usually economics; they have something else to do with the money or it is used in some other form.

As I said, according to Sen. Wilson, when one thinks of all the things that have gone over the years, one could see how people who are trying their best to get an education may not be able to pay their fees. But when talking to Sen. Teelucksingh and he tells me that many of the people who owe the Government go abroad after having qualified, return and do not pay their fees—well, that is the end—that is something I really cannot understand.

Mr. Vice-President, I have no objection to supporting this Bill. It is in the interest of the people and the country. According to Sen. Wilson, the cost of instruments that are being used in technology today is astronomically high. Anybody who has been in business for any length of time knows that salaries are high, economics are low and instrumentation is high. I have no objection to the Government offering security for the purpose of educating people who want to better themselves and the condition of the country.

Thank you.

5.35 p.m.

Sen. Junior Barrack: Mr. Vice-President, I must admit that I was taken aback to hear the pleas of both Sen. Wilson and Sen. Dean about the urgency of passing this piece of legislation and allowing university students to access loans, so that payments can be made to the university for their tutorials.

Sir, I am of the opinion that this Government should have known that such a situation would have developed as a result of restructuring the university's fees, and that we should not be here today trying to rush this Bill through for these people to meet their payments.

It seems as though there is a philosophy that is operating within the PNM which suggests that this Government will not act unless there is a crisis. There is a crime situation, for example, and the Government could not find money to take care of the physical needs of the police service until we had a crisis of confidence in the Government, and it found money to meet those needs. Again, we are faced with this Bill. Because there is a crisis and many students may not be admitted into the university for the 1994-1975 term, the Government is rushing this matter through so that we can satisfy this requirement.

There seems to be a problem throughout our education system. Sen. Suren Capildeo alluded to it and it is that about 10 per cent of our estimated expenditure is spent on education. When we look at the return on the money expended—the kind of minds we are creating—it is obvious that a Government that will continue to

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spend money and neglect its obligation to see how the money it spends could, at least, afford us a reasonable return, should be classified as negligent.

If one looks at the primary and secondary schools systems one will see that a significant number of the people churned out of those institutions do not reflect the kind of investment that the taxpayers put into them. I am saying that we must review the entire education system, and although there is a Green Paper on the subject—

Mr. Vice-President: Not this afternoon, Senator; we are not reviewing the entire education system this afternoon. Let us get back to the Bill that is before us.

Sen. J. Barrack: Mr. Vice-President, thank you for your intervention.

I believe we have to look at the question of the migration of students after they have acquired their degrees and the non-payment of their loans. It is a critical matter. Many of the Senators before me have expressed a sort of disgust about the way in which these people are behaving.

I want to remind some people here that we have a philosophy of materialism. The Government itself has said that it is one which is guided by the concept of pragmatism, and if people believe that they can exploit a system to their benefit, they will do it that way. We must put in checks and balances to secure our position. If we do not want them to do it we will have to put the correct mechanisms in place to prevent them.

I think it was Bernard Shaw who said that if a man did not complete a college education, he would steal from a coach, but if he has a college education, he would steal the whole railroad.

I disagree with the other Senator at the back when he stated that he is taken aback that people who have gone through the university system are not seeing it necessary to repay their loans. From time immemorial, particularly in the Trinidad and Tobago context, the biggest thieves and crooks have never been among the ordinary man in the street; they have been among those who have been schooled in the universities—and I am not saying so to castigate them—but when we speak about the level of corruption, mismanagement and waste, we do not speak about the little welder—he cannot steal much—we are talking about men who build twin towers in Canada; and others who take \$300–\$400 million to Costa Rica.

Sen. Merritt: Who is that?

Sen. J. Barrack. That is the kind of thing we are talking about. So I just

wanted to mention that. Also, there seems to have been a situation where the movement of the human capital in which we have invested over the years—a movement that has taken place simultaneously with the downward movement in the price of oil, since the turn of the decade of the '80s. We have seen a massive movement of our capital into the developed countries, mainly, along with the capital resources of our country.

Sen. Draper: What does that have to do with the Bill?

Sen. J. Barrack: At the same time we are having capital flight, our intellectuals are also going in pursuit of the money. That is where they have to go. If the rich men, the former Government Ministers and so forth take their moneys and bank them in Miami and other places, the university students would not be able to find jobs here because the money is now developing other people's lands. As a result of that, they have to go where the money is. Unfortunately, the poor, who are the main casualties of that kind of movement, are not able to move freely as the intellectuals. This is my problem. *[Laughter]* It is a major problem.

Mr. Mottley: Personal problem?

Sen. J. Barrack: I would like to see a situation where the poor and the non-intellectuals, those who have not been to university, could move as freely as those who have been trained there. So, we have to examine these areas.

I think one of the problems that arise from this whole situation is the problem that Sen. Wade Mark alluded to. Again, Sen. Wade Mark has made a number of very beautiful points, Mr. Vice-President.

Mr. Vice-President: Are you going to recap? *[Laughter]*

Sen. J. Barrack: Not at all, I am just going to show a different angle.

Mr. Vice-President: I will put you in my blue book, you know. *[Laughter]*

Sen. J. Barrack: He has made a number of very important points.

Sen. Draper: He has?

Sen. J. Barrack: You were not listening; you were sleeping! One of the things I have noticed coming from his contribution—and some other Senators have supported that position—is the fact that there is no real link between what is taking place at the university—

Sen. Draper: And what you are saying.

Sen. J. Barrack: —and Government's—an aside Sir—I would not bother with him.

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5.45 p.m.

The fact that there is no real link between what is taking place at the University of the West Indies, and Government—*[Interruption]* and some form of developmental policy that can inform the students at our university what to get into, and to know that when they do, and they can come out, there will be a job waiting for them.

I believe also if that was the situation the tuition fees of the students at the university could easily be addressed. For instance, if the Government knows that it needs, let us say, 10 engineers, obviously it can fund the education of the students and those students can come back into the system, work on contract for three years, meaning, that they would not be able to work elsewhere, then they can be released after the three years. But we do not have that system here. As a matter of fact, I do not believe that this Government is serious about the development of Trinidad and Tobago. That is my opinion. I believe that it does not have any interest in that matter whatsoever, hence the reason we do not have an effective link between the university and the rest of the society.

I believe that most of what is being said by the Government in terms of university education and caring is merely rhetoric—and, Sir, I know you believe that as well.

I believe that most of the fallouts in our society have to do with the frustration that is experienced by the university students during the period of their education and after they have graduated. I am of the opinion that when other members in the education system take a look at what is happening to graduates of the University of the West Indies, and even those who have not yet graduated, they feel a sense of loss of direction; they are frustrated and as a result they are not motivated to study. They do not believe that they would go very far, and I am of the opinion that that too can contribute to the involvement of young people in some level of criminal activity.

The Government will have to address this matter. If there is a potentially brilliant mind, and that mind turns to criminality of the kind that includes violence—most of us think of crime only when it includes violence, but there is. White-collar crime, such as over-invoicing.

Mr. Vice-President: We are not dealing with crime.

Sen. J. Barrack: I know that, Sir. I am dealing with the Bill, Sir.

Mr. Vice-President: Get back on the Bill, please.

Sen. J. Barrack: I am on the Bill, Sir. I am dealing with the link between the university in terms of the frustration experienced by the students who attend the university, what they achieve on acquiring their certificates, and how that is having a wider impact on the society.

One Senator—and I agree—spoke about the education system where, eventually, there will be a situation where people with a certain income would not be able to access the system. I am very concerned about that. I believe that everyone here should be concerned about that. Sen. Ramchand expressed that eloquently, and I agree with him. I agree that if the present fee structure continues to be what it is and if the access to loans includes the other assets or collateral which is necessary to access loans, that will exclude a significant proportion of those who are qualified academically from accessing the University of the West Indies, or a university education. We must look at this situation and find a way of resolving it. I have already indicated that you cannot have people with that potential being frustrated by the system.

In conclusion, let me say that I believe that the need to pass this legislation is urgent. Our party stands behind the university students, and the development of our educational system, and with that I say thank you.

The Minister of Finance and Minister of Tourism (Hon. Wendell Mottley): Mr. Vice-President, I want to tell you something by way of explanation as to what went on here this afternoon. I believe that several of the hon. gentlemen on the other side know that we have a political meeting late tonight, and this is an attempt to frustrate us so that we would not be there on the platform. [*Laughter*]

Sir, in all seriousness, Sen. Prof. Wilson and Sen. Saith did most of what I had intended to do by way of reply. They put this Bill in its proper perspective and threw some light on some of the wider issues. Therefore, what is left for me to do is to deal with just one major issue and then some of the specific points raised by hon. Senators.

I do not believe there is any question that universal free tertiary education is the ideal. We are not financially in a position to discharge that at this time, and I do not know of any country—the United States, the wealthiest of all—that is in that position today. Therefore, we have to find ways to assist those who require the assistance. We must remember, as I said before, that there are 4000-plus students of which only 700 are accessing this particular facility. There are several scores who receive totally free government scholarships. Prof. Ramchand would know the university does have bursaries that they can give students on merit, so

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that after you whittle it all down, we are looking at only a small number of students who require this particular facility.

Hon. Senators must not underestimate the difficulties in allocating funds either, amongst education votes, or in-between votes in different Ministries and the charge that the university represents. As Prof. Ramchand was talking about the need to pull funds from other areas, I could feel my colleague on my left flinching. These are clear priorities: the Ministry of National Security, the Ministry of Health. All these areas are calling for funds that the Government just does not have at this time. We acknowledge—this is related directly to what Sen. Wade Mark had asked—yes, the university is owed significant sums of money by the Government, and the Government acknowledges the debt. We have entered into an arrangement with the Ministry of Finance to try to repay those sums over a period. It is proving to be extremely difficult. I just wanted to put all of that in perspective.

5.55 p.m.

Another question was why we want to look at the operation of this guarantee fund in 1998. What is the science in it? There is a three-year course; thereafter, there is a one-year moratorium and that carries you to four years. We believe that by 1998 it would be a reasonable time to look at how this scheme is working. In addition to having the trustees look at it, there is a monitor group which is established that does include the university and the students guild. The banks would look at this immediately after it is established, and have their findings become particularly relevant when the whole project is evaluated in 1998.

Again, there was the question, why quarterly disbursements? It is simply because we believe that a quarterly disbursement is a reasonable period. It was discussed with the banks and the university, and it was felt that it was a reasonable time in which to have these disbursements.

A major question was raised about how do we make sure that the operation of this Guarantee Fund is different from that of the Students' Revolving Loan Fund. There is no absolute guarantee; that is why we are going to monitor it and review its operations in several years' time. We have put several mechanisms in place including the hard-nosed commercial attitude of the banks. I must tell you some of the background of how this was set up.

After Cabinet decided that it wanted to go this way, it appointed a committee. A real live wire in the committee was my former Permanent Secretary, Mr. Reynold Rampersad. He drew in his brother and they went around. They tried to get this project

going. I must tell you there was no line-up and rush at the banks to do this. The banks had to be cajoled to do this. University loan schemes worldwide are difficult. They usually deal with a young population, that, as far as commercial banks are concerned, have not yet established a credit reputation. If commercial type organizations such as banks, adopt a purely hard-nosed attitude, they would shy clear of these kinds of schemes.

It was with some degree of persuasion that the banks came into this. That being the case, the project clearly contemplates that there would be a guarantor provided to the bank, and then the bank would seek to get other forms of security, particularly a tangible form of security such as first or second mortgages on real estate; assignment of life insurance policies; hypothecation on savings accounts, stocks and shares. This is the first line of defence in case of default. The banks would move against the guarantors and that tangible security as a first line of defence.

However, it is not contemplated that the banks would sue. After they make their best efforts against the student defaulter, the security and guarantors, and having failed, then the Guarantee Fund would pay out and act in the shoes of the bank. The trustee would then go out and do the suing and try to claim the funds.

Sen. Hosein: I just want some clarification. The Minister touched on the security aspect and the banks would move against that. I am a bit concerned about a student who may not have any security. Is there anything in the Bill that deals with that situation? If so, what is it?

Hon. W. Mottley: Yes. The student should find a guarantor if there is no tangible security. Although we have tried to persuade the banks to look at the admissibility of the student as really the only form of admission into the scheme, the fact is that the bank would feel uncomfortable to develop a commercial relationship with a student if there is absolutely no guarantee.

Bankers are commercial men and they read and interpret attitudes of students in that matter. In other words, a banker would then be forced to make a character judgment and he would look to see how responsible the particular student is, poor of resources though he may be. The banker would attempt to make a character judgment before granting that loan.

At the end of the day, if the bank as compared with other banks has a very high default ratio, it would have a degree of difficulty in its relationships and explanations to the Guarantee Fund; the financial institution criteria for its selection may have been set among them, including the university, but it would be

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a financial institution that would be the trustee, so to speak. Therefore, the bankers would want to develop a history and relationship with that Guarantee Fund which is taxpayers' money, and at the end of the day, see the bank discharge its responsibility honourably, professionally and with competence, and not have extremely high default ratios compared with other banks.

Sen. W. Mark: In terms of discrimination against students without security and who may have attained their qualifications for entry, is the Government contemplating any kind of monitoring mechanism within the commercial banking system to ensure that deserving students who may find themselves in a situation of not having the kind of security, enter the university?

Hon. W. Mottley: That is why there is the monitoring committee that includes the Guild, to look at the situation, not in 1998, but all along and advise us, so that we can have discussions with the banks.

Sen. Rooks: Mr. Vice-President, I have heard the Minister say that there are many students who have got much money, have studied and yet we cannot collect the money. I know of one case where the man has gone ahead, qualified, he is doing very well, yet he refuses to repay the Government. Why is the Government not taking more serious legal steps to regain its money?

Some of them had to work for a number of years. In this particular case, the man has not even done that. He started to work for the Government and then he went out on his own. The money was never repaid. A substantial amount of money is out. Why can we not go through legal forms and get this money back?

6.05 p.m.

Hon. W. Mottley: Mr. Vice-President, the hon. Senator is correct. We have called for the accounts and have issued strict instructions that legal action be taken against all defaulters wherever we can trace them. The police have sometimes been called in to find some of these defaulters, and we are taking action against them in relation to the old Students' Revolving Loan Fund.

Sen. Prof. Ramchand: I would like clarification of the term "character judgment". This is something quite different from one's ability to provide security. I want to know what is the likelihood of a person who has no security, but who has good academic qualifications and in whose favour a character judgment has been made, getting a loan. Also, who decides on the character judgment.?

Hon. W. Mottley: The bank makes that decision. Sen. Dr. Saith has just told me that, to the best of his knowledge, no one has been refused a loan to date. The

bank has been asked to make that judgment in the end. If it is known as an automatic *passus*, then we are going back to the problems feared by Sen. Rev. Teelucksingh, where students feel that the loan is automatic, they are bound to get it, it is theirs by right and you to catch when pay time comes. We, therefore, have to get away from that.

I think it was Sen. Rev. Teelucksingh who asked about the interest rate. The interest rate is 10 1/2 per cent during the disbursement and moratorium periods. Thereafter, it goes up to 15 1/4 per cent per annum. These are simple interest rates and are changed annually in February. They are calculated by a certain fixed formula in relation to prime. These rates are simple, and when you compare them with some of the figures quoted on motor-car loans, I can assure you that those seemingly low motor-car rates are not as low as you would think once you do the complex calculations that the loan companies do.

Finally, Mr. Vice-President, let me say that the Government, especially from the viewpoint of the Ministry of Finance and the Ministry of Planning and Development, recognizes the worth of tertiary education, and the fact that, indeed, we are not spending enough on it. That it is an area in which, as soon as our financial circumstances permit, we would like to increase our expenditure, especially on the technical elements that have a direct repercussion on the well-being and security of the state.

With this commitment, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Hon. W. Mottley: Mr. Vice-President, in accordance with the provisions of Standing Order 63, I beg to move that this Bill be not committed to a committee of the whole Senate.

Question put and agreed to.

Sen. W. Mark: Mr. Vice-President, I have a reservation which I would like to share with the hon. Minister. Mr. Vice-President, with your leave. I had suggested during my contribution, that in clause 9(2), instead of just leaving this open with the words "as soon as possible" that there be, stipulated time frame for him, as the Minister of Finance, to receive a copy of the financial statement. I ask that he contemplate the time frame of one month during which he must receive that financial statement. I do not know if he would want to look at that.

Hon. W. Mottley: Mr. Vice-President, I have no strenuous objection to calling for it within the time frame contemplated by Sen. Wade Mark, but I am not sure that the rules of the Senate permit this at this stage.

University Students Bill

Tuesday, August 02, 1994

Mr. Vice-President: Senators, the Senate has already decided that we do not commit the Bill to a committee, so we will proceed.

Question put and agreed to, That the Bill be now read the third time.

Bill accordingly read the third time and passed.

ADJOURNMENT

Motion made, That the Senate do now adjourn to Tuesday, August 9, 1994 at 1.30 p.m. [Sen. Dr. The Hon. L. Saith]

Mr. Vice-President: Hon. Senators, before I put the question, I should mention that President Carter will be back in the Chair next week. So I wish to thank you for your co-operation during the past two weeks when I was in the Chair.

Sen. W. Mark: And we want to thank you very much, Sir.

Mr. Vice-President: Thank you, Sen. Wade Mark.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 6.13 p.m.