

Speeches

Parliamentary Debate on IR Decision Excerpts from PM's Round-Up Speech 22 April 2005

Over the last 4 days, Parliament has had a constructive and very fruitful debate. The MPs have offered many insights, have shared their personal experiences on gambling, winning or losing, and stated their positions and concerns. I think they've showed their personal convictions and well thought-out stands, whether they are for or against the IRs, or more specifically the casino component of the IR.

It's not the end of our journey but a significant milestone after nearly one year of debate - in fact after more than one year of debate. Now what we have to do to make the IRs work, to yield the economic benefits and generate the jobs and at the same time to limit the social fallout. I have tried to explain the process by which we have reached the decision to proceed, how our thinking evolved, when I changed our long standing policy, and what it is we're still worried about.

Usually we avoid agonising over policies in public, wringing hands, wondering what to do before we make up our minds. Our approach is better to settle the main lines of the policy, then explain the package, and then if necessary, fine-tune as we go along. Because we don't want to confuse people, we want to present a clear stand, we want to have it worked out and more or less the direction you're going to go.

But in this case it has been important for us to talk about how we got here in order to carry people along and understand our thinking. We have been on a journey: we started off against, we had to review evidence, confront the facts; we had to rethink our conclusions and in fact examine our values and previous positions as we found our way forward step by step as the phrase goes, feeling your way across stone by stone, across the river and gradually crossing the river and reaching a new point; and to bring the population and MPs along with us. We had to explain how we got here, how we took these steps forward, why we changed and why we're now here today.

The hardest thing for us to do is to change a policy which is still working. The problems are not yet obvious, the new policy involves risk and uncertainty. Why not carry on until the problems become more serious - maybe we won't have to change? Whereas if the problem is already on your head, and you're already in a deep hole, there's no question, you have to do something about it. But it is the government's responsibility to look over the horizon, anticipate the problems which are not yet looming large, but visible in the telescope. And to persuade people that we need to change and to support the necessary change.

So what we're doing here is to look ahead 10 years, maybe 20 years and this is a response which the government takes very seriously. Our economic policies today are working, in manufacturing we're moving up, technology [is] upmarket, and electronics and biosciences and petrochemicals, fine chemicals, the industry is doing well. We're getting new investments in research and development.

Our financial sector is doing well because in banking and fund management, the industry is growing - in fact private banking is growing by 20% a year. The same market by the way, which the IR is hoping to target.

And many more people are coming from around the region, all the way from the Middle East to China, for education, for healthcare. We now are trying to tap the growth of the countries around us

high end manufacturing in Asia. In education and health services: to offer the best services to clients throughout Asia from the Middle East to China, South Korea and Japan. To reinforce our role as a key logistics hub, and also to be a major centre for entertainment and conventions. Different from Macau and Las Vegas ? we're not trying to be a Strip with 17 or 19 casinos, all flashing lights and sounds and temptations, but attractive and special in our own way.

We are and we must aspire to be, and billed to become the most cosmopolitan, the most open, but also the safest city in Asia, where women and children can work along the streets all hours of the day and night without fear. We have to preserve our brand as a well-managed city, Asian at its core, but open to change and willing to try bold new ideas.

So the decision on the IR concerns the interests of Singapore over the next 10 to 20 years. It is not a short term problem. For the next 5 years, the IRs are not going to make any great difference to the economy. Maybe the construction sector would benefit. But if we don't move now and we don't have IRs up and running 5 years or 4 years from now, by 2009, other countries would have moved ahead, we would have been left behind, and I think it'll be too late to catch up. You can see where the others are and you will be behind. In Chinese they say, ? 尘? ? (wang chen mo ji) -"watch the dust and you're not in range".

In the short term we have to overcome political resistance. Many Singaporeans are opposed to the idea - not the majority but many - passionately and sincerely, and we have to persuade them to accept it or at least persuade them that we have reason to move, even though we know they may not agree with it. But in the long term, it's an essential part of remaking Singapore. Finally, the Cabinet considered it carefully and we decided we cannot say no, and we have to move on. It is a judgment. Is it certain? No. Are there downside risks, as Ms Ong Poh Khim asked? Yes of course there are. There are upside risks too. We don't know how it will work out. Maybe if it is too successful we may get frightened of it, because it is such an irresistible temptation! But we have to weigh it up and decide the up and the downside to the best of our ability and judgment ? does it look like it's a good bet for Singapore? And our judgment as a Cabinet, is yes, it's a bet which we have to make.

Other countries have already taken note of our move. It's reported all over the regional newspapers. The Herald Tribune has it, the Wall Street Journal has it, the Financial Times has it. The Malaysians are watching carefully. You can see it in their media, they're asking if this is a plus or minus for them. Some people say it's a minus, business will go out; some people say it's a plus, because then there will be more tourists coming to the region, and they'll visit both Malaysia and Singapore - because having had a fling in Singapore, why not go and have fling two in Genting? And I watched the chairman of the Malaysian Tourism Board and she took that attitude that it's a plus, they welcome it. So did the Secretary General of the Tourism Ministry in Malaysia, and I think that is the right attitude for neighbours in SE Asia to take.

But it's not just SE Asia. The Chinese are watching us, Shanghai is watching us. The China daily (which is the Chinese newspaper but an English one), had a half-page of its business segment, reporting on our IRs on Tuesday after I made the statement on Monday. One of the Singapore CEOs happens to be in Shanghai, and he went to meet the Shanghai government officials. And the officials told him, Singapore, while small, has made such a tremendous impact internationally, regionally, and this decision on the IRs is another example of long term planning that will no doubt improve Singapore's business stature. So they're watching us, they're studying which way we will go, and I have no doubt they're asking themselves is it something that we should consider, if so, when do we want to move. Because Shanghai has moved forward on many fronts, and in some areas they're well ahead of Singapore. And this is not something unthinkable.

I'm convinced that the majority of MPs, and I believe most Singaporeans, support the idea of the Integrated Resorts. It's based on the debate on the last few days, based on my soundings with the

talking to the grassroots leaders and the residents. There is support for it and after the debate, and after the explanations from the house, I am confident that the support level will go on. But the basis for this decision is not the popularity of the proposal, otherwise we could just do a straw poll or referendum as Dr Loo suggested and then go with whatever the straw poll says. But I think the basis is what is right for Singapore in the long run. That's what we have to judge and to decide.

Most MPs who have spoken disapprove of gambling, or at least, they disapprove of excessive gambling. Some oppose it because of their upbringing, like Mr Arthur Fong whose father left him with an indelible experience; or their religious faiths like Mr Loh Meng See who spoke just now. Some oppose all forms of gambling because of personal experiences with family members who have gambling addicts, and when you have gone through such an experience, that also leaves an indelible experience on you, and you say, I don't want this ever to happen. Let there not be such an evil on the earth. Others have done their calculations and found it is pointless. Because the house always wins. As Minister Mentor explains, he looked at these games with banana money, if you put 40 notes and all the odds ? you come back with 35 or 36 - sure lose!

Some of the shrewdest and worthiest businessmen in Singapore don't gamble. Not that they can't afford it, money can be availed if they wanted to, but they think it's foolish, it's a waste of money, don't do it. Mr Ong Beng Seng is one of them. I've got his permission to tell you his story. He says he found out that the house always wins, then he must have played and eventually concluded that it's a monk's game, found out that the house always wins, you always lose as a player, so he had a solution. He decided to be on the other side, and he bought the house. He bought the casino and later sold it for a good profit. So the shrewdest businessmen, the ones who are smartest at making money, will tell you, to make money, this is not the way to do it. I think this attitude against casinos, against gambling, is a good one. I don't believe that having the IRs will shift this basic attitude, and I think this attitude is a kind of immune system in our society which will inoculate us against succumbing to excessive gambling.

But we also have to be realistic. Even without legalized gambling, many people will gamble, as Mdm Yu-Foo Yee Shoon and Mr Ong Ah Heng pointed out just now. They work with the unions, they know the ground, they know the habits and they know how people behave. The MCYS did a survey and it confirmed what we knew - 58% gamble. But what was interesting was also the amount they gamble. Median expenditure per gambler per month is \$83. Average is \$244. If you take it on one year, the median expenditure is almost a thousand dollars, and the average is nearly \$3000. So this is what an average gambler in Singapore will spend, maybe he'll get some of that back, maybe he loses all of it. Most of these would be social and recreational gamblers. But a few will get into trouble.

I'm not a gambler myself, I've been lucky, I have not experienced the problems of gambling, neither me nor my family, my family didn't gamble. I was going to tell you all about my non-gambling occasions, but they pale in comparison with the senior ministers and other stories which the house has heard. But I'll just tell you one. On a rare occasion we were in a very serious meeting in Canberra, the first APEC conference, and it happened to coincide with the Melbourne cup in 1989. I was there with George Yeo, everything came to a stop, this was in the middle of the day, the meeting had to stop. The Prime Minister went from Canberra, then Bob Hawke, to Melbourne to attend the race congratulate the winner and come back to Canberra the same day to receive us at dinner. We had to stop doing business because the whole country was going to stop, all the Australian staff and officers were going to watch, and we had better watch. So our attitude was, if we're going to watch, we might as well put some money on it. So we gathered the hat around, this being Apec we decided on a collective bet, 12 countries, we all got together, it wasn't a big sum, so we bet on one horse My job was to name the horse. We choose the Empire Rose. I cannot remember why but I remember the name, there was a profound political reason. It lost. And it's not been an indelible lesson, but it's a vivid memory of how different it is to be smarter than the other

So never believe that one can gamble to earn a living or to get rich. I've seen in MPS, families who are in trouble because of gambling, just as I have seen in MPS families who are in trouble because of other reasons, drinking or just being dissolute, or unable to manage their finances. It's very sad and every case you see is one case too many. Like everybody else I would like to protect our people and our own children from ruining their lives through gambling. But I don't believe we can solve the problem by banning gambling. I also don't believe that gambling is something which we can completely outlaw and say absolutely not, not one drop. We take that attitude with drugs. No drugs whatsoever. There's no such thing as recreational use where there's cannabis, where there's heroin, where there's cocaine: drugs ? you go to jail.

But we don't take that attitude with other social vices, cigarettes, which are extremely harmful. We can't ban. All we can do is tax them heavily so at least some public good can come out of a private addiction. Alcohol, which you can also become addicted to, and there are a certain percentage of people who will become alcoholic and it also breaks up families and ruins lives, but we don't ban alcohol because it doesn't work and we allow alcohol to be sold, we tax it, and there is such a thing as social drinkers ? who drink wine, who drink beer - it's part of socializing, it's normal. Muslims don't, some other people feel that they do not what to, but it's acceptable within society. And prostitution - it's a sin, it's wrong, but it's a reality as Minister Mentor explained. We are a port. If we don't have this, we drive it underground, and so we allow it, we regulate it, we have a system of health checks, and everybody knows the even-numbered lorongs are different from the odd-numbered lorongs. So if you want to be seen by the TV camera, you go to the odd-numbered side. If you don't want to be seen, there's a different matter.

Gambling opportunities now are far more prevalent than they ever used to be. It's a fact of life, we have to accept it. Cruises to nowhere are common. People go. Singaporeans go, grassroots leaders go, MPs go with them because it's part of bonding among the grassroots, and the MPs tell me that when you go on cruises to nowhere, before you can cross the international boundary, there is a queue outside the casino. The moment the doors open, people rush in. If you were not there, and you were eating a chicken wing at the buffet and you hear the PA system saying "The doors are now open", you will drop the chicken wing, half-eaten, and run. People do it.

On the internet, gambling is available. Readily. You don't have to visit the site. The sites visit you, because you may be at some perfectly innocent site and up it pops, and says here you are, casino blackjack or whatever it is, bright flashing lights. A private casino in your own home. I was doing some research I assure you, a few days ago, preparing for this debate, and up came a site, so I decided to click on it. The site is called Pope Betting dot com. "Pope Betting dot com" because the new pope was being elected and here was a chance for you to put some money. So I visited the site, and there was a whole list of cardinals and odds. The first one was Cardinal Ratzinger 3-to-1. I regret that I didn't click on the next link!

So the temptation is all around you. You have to teach people how not to gamble excessively, and we have to have safety nets to catch and treat those who become gambling addicts. And I think we have to get our people to learn - and particularly the next generation - to learn, that it is stupid to think of gambling as a way to get rich. If you have to gamble, treat it as a consumption, set a budget to spend, "I'm going to have a fling this evening, here's \$50 or \$100, therefore I'm going to spend, when it runs out, I go home". It's like going to the movies, or going on holiday. It's spending money. And if you lose, don't try to earn back. That's disastrous. Like Chia Teck Leng. I've had very intelligent, very well educated professionals, explain to me how if you're very smart, you can outsmart the house. I've tried to explain that to them that mathematically, it's not possible, this is a well known paradox, you can think double-double-double-double and you will come ahead before you go bankrupt. But they say no, no, if you're not greedy you can make just a little bit of money. And that glint is in the eyes, but they're quite wrong. And I think we have to get this message home,

It's better for people to have the right values inculcated in them from young, so that they can form their own right judgments and they can deal with many risks in the world which they're going to meet, more dangerous than an IR on Sentosa or on Marina South. We teach them in schools, civics and moral education, which already covers virtues of thrift, hard work and being responsible in the family. The challenge is not to have more homilies and lectures. The challenge is how to deliver this message effectively and interestingly, whether or not we have a casino. And we have to use it through stories, through parables, and it has to be maybe some real life examples and we may actually have to visit the place. Then you know what it is about and you have some mental image of how to deal with it.

Families, too, play a role. Parents need to teach values, and not just teach values right and wrong, but also teach basic facts about gambling. I know of one family who happens to be opposed to the casino, but they teach their children how to gamble because they want their children to understand. So every Chinese New Year, their children play these games as you all know. Chinese New Year's one of those ancient traditions of family occasions, and these are one of the ancient traditional family past-times. So in this case, elder sister was playing with younger brother for a piece of cake. So elder sister won. So give chance. Play again, won again. Give chance. Third time, elder sister won again. She ate the cake. Younger brother burst into tears. I think that's the sort of lesson which you want to teach people, and which will stay with you, for a long time. That's what elder sisters are for!

Religious and social workgroups will also have a role to play, to exhort their followers, to live upright lives, to have the social network so you know who's in trouble, who's maybe wandering too far, and to counsel them or those who will get into trouble. So I hope that those who oppose the IR on moral or religious grounds, will continue to engage themselves and exert a positive influence on society.

So with the right values, people can choose and decide, either to decide not to go into the casino, or decide to go, gamble, but not excessively, or to live their own lifestyles, maintain their own values, live, abide by their own rules, as Singaporeans have to do when they go overseas and live in a different society. As Zainudin Nordin explained to us on Tuesday, he had to go and visit France, and live there for 3 years, and he came back and he's still a good Muslim.

I'm encouraged that MPs, despite personal reservations, understand the reason why the government has to proceed with the IRs. And so too, do Singaporeans. Many have written to me, to express their understanding and support, since this debate began. After hearing our explanation, they realized the scale of Integrated Resort and the benefits it would bring to the Singapore economy, and they said the government should have presented the IR concept more clearly earlier. If we had explained it like this, it would have been easier. Actually I should tell MTI - if MTI had explained it to us like this, we might have been persuaded earlier.

So for example I had one Muslim who wrote, and I quote him, "I reject the idea of having a casino in Singapore. But as a secular government, the decision can't be taken based on religious faith, but for the sake of national interest. I have to respect the government's decision, I'll also thank the government for respecting religious faith, and I trust that the government is making a sound decision, and I support the IR project and I hope other Singaporeans will also see it that way."

I'm also heartened that many social welfare and religious groups who had opposed the IRs and still disapprove of it, are prepared to cooperate with the government to help tackle problem gambling. For example, the National Council of Churches of Singapore, their Associate General Secretary was quoted by AFP, to say "We're still opposed to gambling and all the effects of that vice, but that the Council will encourage its member churches to educate their flocks against gambling. The Christian churches will cooperate with the government in dealing with the social fallout and offer counseling for people with gambling problems."

The Catholic Archbishop Nicholas Chia said, and he told the BBC, that he understood the economic arguments but of course he was still very much against it. And he said "we're very worried about the cost on human family and social well-being, we'll try to dissuade people from being addicted and educate people on the ill effects of problem gambling."

The Muslims too have spoken out. For example, the Darussalam Mosque Management Board Chairman Abdul Mutalib Hashim, expected IRs to cause problems for Muslims, but he said the Mosque planned to enrich the Mosque's counselors with comprehensive knowledge about gambling, not only basic knowledge but also laws and the social impact of gambling. Or as Mr Ramli put it, who is president of the Ain society, the Malay welfare group, hope that Malay Muslim organizations can work together to handle gambling related problems later on, such as alcoholism and domestic violence.

We're very grateful for the understanding of these religious leaders, and we will make full use of their resources, networks and sense of mission to tackle the side effects of problem gambling.

This has been an important exercise in public consultation and active citizenry. The public discussion has been on the whole, calm and rational. It has been a passionate debate, and I'm not surprised at that because in every other country or city considering a change in gambling policy, it has been a hot subject. Every society includes a range of views on gambling, and if we did not have a group of people who have strong reservations and spoke out, I think an important component would have been missing from our social immune system.

Some people have said that the government was in a no-win situation: if it did not consult, it would be seen as not consultative; if it consults and decides to proceed, we're seen as not taking in opposing views; and some people say that the government has decided already. I don't think that this is a divisive factor. Because for an important issue which Singaporeans feel strongly about, I'm convinced that this way is the right way to go, to consult, to air, to debate, and finally to make a considered decision. As Tan Soo Khoon said, the government, having decided to proceed, doesn't mean that one camp has tramped over another. We have had to debate this, have had to weigh this, and finally we have had to find a position which we think is right for Singapore, and which we can carry. That is what we have tried to do.

We deeply respect views like Ms Ong Soh Khim's or Mr Loh Meng See's, who treat gambling as an absolute no. But as I have explained, that's not the society's view, it's not the government's view, and we have to operate on a secular basis, taking the national interest at heart, and recognizing that people will feel very strongly that they don't want to participate, and they wish others also would be prevented from taking part. We can respect the first part but we can't prevent others from taking part.

The inputs did influence our deliberations, gave us a sense of what people were worried about, what is acceptable and helped us to decide and what safeguards to take. For example we took some time to come up with the entrance fee deposit. We have floated other ideas - what about a total ban for Singaporeans? That was a no-go. What about some cut-off in terms of income levels? I think that would have been offensive to many Singaporeans, because who are you to say that because I'm poor I can't look after my money?

All entrance fees based on credit cards? Then we said there were too many. Then what about gold cards? But gold cards can get cheaper. Even platinum cards get de-valued.

So finally we settled on this entrance fee. It may be the right or the wrong number, time will tell. I believe it's the right number. I think it will work in deterring casual gamblers from going in and just wandering in?. It will not deter problem gamblers ? they're already hooked. But problem gamblers need a different solution.

Why do I think that it works? Because I have asked around - how much money are people playing when they go to these jackpot machines? If they go to Batam, they go with maybe \$200 or \$300. And I asked how much do they come back with, and I'm told usually zero. If they go to NTUC, the operator tells me, they come with \$200 or \$300, they may go back with two-thirds of that, so the club makes maybe about \$100 from them. So I asked NTUC, what if I let in \$100 on you? He says NTUC club will die. I think he knows what he's talking about. I think it's not a trivial levy. Time will tell, but the test is, is it cheaper to go to Marina South, or is it cheaper to go to Genting and Batam? And I think as we have set the price, Genting and Batam are cheaper. If that changes, we will have to work at the situation again.

So, we have had I think a substantive debate. We've come to this House after the Cabinet has decided. Dr Ivan Png would like us to come to this House before the Cabinet has decided. I think we answer questions, we are prepared to explain our position before we gave them the stand. But there has to be a certain rightness in our policy, a certain crystallized proposal, to focus the house discussion so that when you debate it you know what you're for or what you're against. So our approach is we take some things, we assess, we have come here with a proposal. There are views which we have taken in these last few days, we will study them and where they are relevant and constructive we will take them in. But there has to be a proposal to come, and the decision really lies with the Cabinet, what we are going to do, because finally, we are the ones who take the responsibility and tally and have to answer for the consequences of making this decision.

This will not be the last time where we will have to go through such debates, and decisions have to be made which not all Singaporeans will agree with. We will continue to take a consultative approach on important issues that matter to Singaporeans, even though on some of these we will not reach unanimity. Then we have to manage the debate so that we do not polarize ourselves, end up with a deeper cleavage in our society, which is harder to bridge. Which has happened in Western society? when they discuss a raw issue, when they discuss gay rights, there is no possibility of meeting of minds. The extremes have polarized and we must not let that happen on divisive issues in Singapore. We have to develop the maturity, for the government to be open to modify proposals to take in new ideas, and for the public to accept that consultation does not mean every input will become policy, particularly when there are different views from the public.

Now that the decision has been made, we have to move on, close ranks, and work to make the IR succeed for Singapore. The upside and the downsides are not just matters for guesswork, but they depend on how hard we work to get the upside and to live with the downside. As one young Singaporean wrote in an email to me, 'whether it's the government, the gambler, or you, we are all a family walking and sleeping in the same piece of land, the best idea won't work if no one supports it, and the worst one will work if everyone works towards a common goal.' A very sensible young lady who wrote that. So let's all work towards a successful project, a clean and safe, but a vibrant and dynamic Singapore. Thank you.