

*Paper Laid**Tuesday, January 28, 1997***SENATE***Tuesday, January 28, 1997*

The Senate met at 1.32 p.m.

**PRAYERS**[MR. PRESIDENT *in the Chair*]**PAPER LAID**

Annual audited accounts of the Metal Industries Company Limited for the year ended December 31, 1995. [*The Minister of Public Administration and Information (Sen. The Hon. Wade Mark)*]

**ARRANGEMENT OF BUSINESS**

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. President, I beg to move that this Senate proceed to Public Business at today's sitting. I have already spoken to both the leaders of the Opposition and Independent Benches.

*Agreed to.***GAMBLING AND BETTING (AMDT.) BILL***Order for second reading read.*

**The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung):** Mr. President, I beg to move,

That a Bill to amend the Gambling and Betting Act, Chap. 11:19, be now read a second time.

Mr. President, for some time now companies in Trinidad and Tobago have been engaging in sales promotion activities which may be interpreted as promoting lotteries, which under, the Gambling and Betting Act, are deemed to be unlawful. For example, cases where firms such as Courts, Standard Distributors or even local supermarkets promote contests in which purchasers of goods and services are eligible to participate with a view to winning prizes such as motor cars, radios and other items that are offered as prizes in such contests.

Such a contest is a device whereby purchasers of goods or services from a business could use their receipts to enter these contests. In essence, the contest is an invitation to a customer who has purchased goods and services to enter that

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contest by placing his name and address on the receipt and depositing it at specified locations and, thereafter, at a stipulated time and place these receipts are randomly drawn to determine the winner.

This invitation is one which the purchaser could either accept or refuse. In other words, a customer is free to choose whether he would participate in such a contest or not. Since the method in determining the winner of a prize is based on chance, it is not quite clear whether such a contest—as the law now stands—falls within the definition of a lottery. The general definition of a lottery is that it is a game of chance and this definition is seized upon to regard these contests as lotteries and, therefore, unlawful.

A lottery does not only consist of one ingredient: that it is a game of chance. It constitutes another ingredient: that is, the person who wishes to participate in a lottery must purchase a ticket. In other words, there are two main ingredients which constitute a lottery: the purchase and the drawing of a ticket where the element of chance is a crucial factor in determining the winner.

Therefore, the contest which this Bill envisages is one which is not within the contemplation of the generally accepted game of chance which falls within the definition of lottery, gambling or betting under the Gambling and Betting Act. It is rather a commercial device which affords a purchaser of goods and services the chance of winning a prize without having to purchase a ticket to enter such a contest.

I think it is essential that one must make a distinction between the purchase of goods and services and participation in the contest. It is true that one can participate in the contest only if one has purchased the goods and services. However, to equate that the money spent on the purchase of goods and services is the same money which entitles the person to participate in the contest, is to commit the elementary error of confusing the purchase of goods and services with the invitation to enter the contest free of charge. The former entails the spending of money and the latter is one which the purchaser can accept or refuse.

Mr. President, you will note that the definition of the word “contest” in the Bill at clause 2 states:

“‘contest’ means any contest, competition, method or device organised on a sales promotion activity whereby prizes are distributed or allotted in any manner depending upon, or to be determined by, chance or lot, but does not include any contest, competition, method or device organised for profit;”

These are the important words, “not organised for profit”.

Such a contest has been invoked for quite some time and it is an acceptable and recognizable form of marketing strategy dealing with the promotion of sales in a free market economy. As such, there is nothing inherently wrong with such a device, especially in a free enterprise system, but as the law now stands such a contest is perceived to be unlawful.

This Bill seeks to amend the Betting and Gambling Act by adding immediately after section 40 of that Act a new Part IIA which will regularize the present commercial device and put the law on an authoritative footing by making such a device lawful and confining it within the context of a commercial transaction. In order to ensure that these contests are not promoted for profit—that is charging a fee to enter such contest, but for the sole purpose of enabling a customer to win a prize—they are only confined to customers who have purchased goods and services from a business and no one else. In other words, only customers who have purchased goods and services from a business are eligible to enter the contest and not the public in general.

**1.40 p.m.**

To ensure that such contest is related only to the purchase of goods and services from a business, the Bill makes it mandatory that no person shall promote any such contest without first obtaining the permission of the National Lotteries Control Board. In other words, not any and every person can promote such contest. The reason for obtaining permission from the National Lotteries Control Board is to ensure that any contest promoted by a business must be related to the purchase of goods and services and must not be similar or equivalent to a lottery promoted, organized or conducted by the National Lotteries Control Board which, under the Gambling and Betting Act, is permitted to promote lotteries.

The scheme of this Bill amends the Gambling and Betting Act by adding new sections, namely, sections 40A to 40H, which are fairly straightforward and simple. The new section 40A defines the key terms of the new Part IIA which falls under the heading, “Contest”.

The new section 40B permits any person, subject to the new sections 40C and 40D, to promote a contest and stipulates the manner in which the contest should be promoted.

The new section 40C makes it an offence for any person to promote a contest without first obtaining the permission of the National Lotteries Control Board.

The new section 40D makes it mandatory for the board to give its ruling within two weeks. The new section 40H allows a person to apply to the Minister to review a decision of the board where such decision was a refusal to grant permission to a business to promote a contest. The Minister on receipt of the application shall, after consultation with the Director of Public Prosecutions, affirm, vary or satisfy the decision of the board. You will note, Mr. President, that specific time limits are inserted in the Bill so as to ensure that the board and the Minister act promptly, thereby dealing with an application in an expeditious manner.

The new section 40E empowers the National Lotteries Control Board to grant permission for the promotion of a contest only where it is related to the purchase of goods and services. I repeat. This new section 40E empowers the National Lotteries Control Board to grant permission to promote a contest only where it is related to goods and services, and if it is not so related then the permission to hold the contest by a business will not be granted.

The new section 40F gives the board the power to stipulate the conditions under which the contest shall be promoted.

The new section 40G is to ensure that every contest which is promoted would take place and not be promoted for profit. In other words, to ensure the contest is not a sham and is not promoted for the sake of making profits.

In essence, the schematic structure of this Bill seeks to make lawful, contests which are generally recognizable as an acceptable form of marketing strategy dealing with the promotion of sales in a free market economy. This Bill is one which puts the law with respect to the promotion of contests based on the purchase of goods and services on an authoritative footing, in that, such contests would now be, beyond doubt, lawful. It is a Bill which would satisfy the business community and the consuming public within the confines of the law.

Mr. President, I beg to move.

*Question proposed.*

**Sen. Elizabeth Mannette:** Mr. President, this type of legislation has two purposes: firstly, to give some direction to the business community which offers these types of games as a sales promotion activity, secondly, to protect the unwary public from being swindled as a result of overspending. With respect to the first purpose of giving some guidance to the business community, I wonder if the Minister could tell us whether he received input from the companies he mentioned

and also, from advertising agencies, because we want to ensure that these provisions actually would be effective and not be unnecessarily restrictive to the companies. I am particularly concerned about the application to the board and a two-week period, as well as the application to the Minister to look at the board's decision.

We, on this side, have no main concerns or any reservations with respect to the legislation. My only concern is that these contests be fairly well-published, especially the drawings and the winners. Very often you take part in a competition or submit an entry and you never really know when the drawings are held or who are the eventual winners. The new section 40G does require that the contest be published in the daily newspapers circulating in Trinidad and Tobago, but I wonder whether or not the requirements for entry can also be published in the daily newspapers.

In addition, what happens with these contests when there are no winners? I recalled from the Expo last year that a certain company offered a car as a prize and a number of months went by and no winner was selected. Is there any provision for that sort of situation? Does the Minister have any idea which he can share with us with respect to that? What happens when there is no winner and the situation where the drawings are postponed for months and, indeed, until the following year, arises occasionally? One hopes that this is the type of situation the board would monitor carefully to ensure that the drawings actually take place and the prizes do not remain in the companies.

I note that section 40H refers to the board's decision which is reviewed by the Minister but my question is: which Minister? There is no definition of Minister in this amendment and to my knowledge there is no definition of Minister in the Gambling and Betting Act, as well. Perhaps we can have the definition to which the Minister of Finance referred.

Mr. President, those are the only concerns we have and we do believe they can be addressed by the procedure.

Thank you, Mr. President.

**Sen. Danny Montano:** Mr. President, I rise this afternoon merely to ask a few questions on this piece of legislation. I am in full support of the legislation which attempts to clarify anomalies in the law, and if that is being done here then I have no difficulty. While this legislation seems to avoid one or two questions, in my mind, it seems to raise one or two others. The first question that came to my mind

was the one of income tax implications of what is happening with the giveaway of prizes and whether or not the cost of the prize would be, in fact, a legitimate deductible expense on the part of the company that is giving it away. There is a cardinal rule in the income tax legislation saying that if an expenditure is wholly necessarily incurred in the production of income then it should be allowable. I did manage to get hold of Inland Revenue Department for an opinion and they indicated that yes, they would see it as an allowable item.

The point is, while we can appreciate the efforts of the Government to try to clarify it—situations in the law that may not be entirely clear—as soon as you try to do that you open up many questions that have not really been addressed. Then there is another situation in respect of the company which is giving away a prize. It seems to me that under the Value Added Tax Act, that company is, in fact, making a commercial supply at that point. Is the company which is giving away the prize then subject to Value Added Tax on the value of the prize? I was not able to get an opinion from the Value Added Tax office on it and I have never had to deal with the situation with any one of my clients. I do not know what the answer is but it does raise the question.

**1.50 p.m.**

The third question that I have, Sir, is, there are situations where very large companies give away 10 motor-cars in one go, or it may be in stages, but the package is 10 motor-cars all of the same brand. Now, the company in question is not necessarily manufacturing or selling those motor-cars. So presumably, they may have purchased them from the original supplier or agent of the motor-car. In a situation like that, the company that is the agent of the motor-car is supplying, let us say, 10 cars, but because it is a promotion and they are getting free advertising from the company giving their motor-cars as prizes, they make an allowance to sell the 10 cars for the price of eight. So it raises the question, on the part of the company that is supplying the motor-cars: What is the amount of the Value Added Tax that should be charged on the supply? Is it on the value of eight or 10 cars?

If, in fact, they are taking a loss on the whole deal, can they claim the loss on the 10 cars? I raise it as a question because as a practitioner it becomes relevant to what I do. However, my comment is in the context of when attempting to clarify one piece of legislation, one tends to create another set of questions following that. I would be grateful for the Minister's comment.

**Sen. Rev. Daniel Teelucksingh:** Mr. President, it is most disturbing that the controversial issue of the promotion of gambling in our society took us to the

close of the year 1996, and now the first piece of legislation for the new year, seemingly harmless as it looks, focusses on the gambling question, although the Bill does not seem to agree with this. I most respectfully differ from those who are responsible for framing the Bill along with the Explanatory Note. I disagree that the Bill is harmless.

Mr. President, you will notice that this Bill, most shrewdly, uses the word “contests”. At least, here it is we have before us a Bill that adds a new section to the Gambling and Betting Act. We are dealing with a piece of legislation that is further expanding the Gambling and Betting Act. This is indicative, as we begin the year, of the phenomenal expansion of gaming activities in Trinidad and Tobago, unashamedly promoted by the state and continuously claiming among its clientele, all classes of people, particularly the poor.

I hope with this mind-set that Government does not gamble with the noble office of the presidency of our nation and, that it is not settled on the political roulette table. Instead, we pray for God's guidance and wisdom in this and every other matter. Mr. President, Karl Marx saw in the society of his day, religion as the opiate of the people. Gambling is fast becoming the opiate of the people of Trinidad and Tobago, so eagerly used by the state as a solution to many problems.

Mr. President, the Explanatory Note to the Bill advises—we heard from the hon. Minister—that there is nothing inherently wrong with these contests or marketing strategies of the business community. I question that. Is this really so, that there is nothing inherently wrong? Are we just supposed to sit by and accept that? These contests—not gaming activities, the Bill would say, but contests—are forms of scratch games and there are other procedures used in these sales contests that belong to the gambling world and the gambling context. What is wrong with such commercial devices, we are asking ourselves?

We need to ask ourselves: Have we ever considered the advertisements for those so-called contests organized by the business community? So typical of any invitation to walk the deceptive get-rich-quickly road. Only the poor are used in these commercials. Have you noticed it? “There is a pot of gold at the end of the rainbow.” All the devices and instruments of the gambling world have been used, and are being used in these contests by the business community. You can win your dream car or that vacation trip if your purchases exceed, let us say, \$100 at any time, but only one person wins.

Same thing like the Lotto; out of several thousands of losers, one person is going to win. All these losers are invited by another company to come and buy

from it. Mr. President, in the competition for market supremacy, these devices by business enterprises are a rip-off. This is what they are. They are a rip-off on the consumer caught, as I started off by saying, in the whirlwind of a gambling mindset promoted by the state. Business people are the winners and consumers are the losers in these so-called contests.

The Bill appears in such proposed sections as you will notice—40G, for example—to be interested in the consumer and consumer protection. These contests sponsored by the business community are inseparable from the question of the prices of goods and services, therefore, consumer protection is certainly relevant in this debate. Very important. Because the only way you qualify to take part in their contests is if you buy. That is the only way you qualify. You must buy from them. Purchases really begin the game.

Prices of food and household appliances have always been a serious concern in our community. Could the Government tell the business sector to use their prizes and gambling-oriented incentives to off-set some of their own expenses so that the cost of items, goods and services will be cheaper and affordable to more people? The same companies, as Sen. Montano pointed out, offer—do you know what is the value of 12 cars? Do you know what the difference in price would be if that kind of money is taken and absorbed by the company? Prices are going to fall. This is what we have to challenge the business community with, rather than beginning the year with gambling when there is so much crime and violence and all kinds of problems in the education sector.

You come in here and the first piece of serious legislation deals with gambling, supporting something like that and approving it, and you are telling me that you see nothing wrong with it. On the whole question of the consumer, if you are really interested in consumer protection, let the Government advise and also ensure that food stores desist from selling goods that have passed the expiry date. As I stand here, this is happening. They sell old goods. How effective is the consumer protection agency and all such departments? Really serious consumer protection is not only ensuring what the Bill seeks to do but to insist that there be justice.

**2.00 p.m.**

They are saying that they are going to protect the consumer—in proposed section 40F—by having the name of the winning customer published in the daily newspapers. That is the way they are protecting him. That is what this Parliament is doing—protecting them by ensuring in section 40F that the business people running one of these games, will publish the names of winners in the newspapers.



Somehow or the other, I feel I waste my time just looking at this document. Do you know how many of these businesses which offer all kinds of nice incentives import things in this country, like household appliances, for consumers for which there are no warranties? I do not know from where on earth they get these things and they call us and say, "come, we are offering you a car", and the prices are very low and attractive. There is no kind of proper warranty; parts and services for repairs are hardly available on these costly items and they entice us with these games.

My understanding of this Bill is that it is important because the Government and the National Lotteries Board would want to ensure that their own gambling business is not challenged by outside competition. Not even business contests must challenge the activities of the National Lotteries Board. That is one of the hidden purposes of this legislation. The Bill seeks to protect Government's own gambling turf more than the consumer. That is what I see.

I would just close by repeating how sad I feel that the first item on our legislative agenda for the new year is of no real benefit to the nation.

I thank you, Mr. President.

**Sen. Dr. Eric St. Cyr:** Mr. President, I would like to get from the hon. Minister the assurance that this is not the proposal which he made in his budget statement last December, that he would introduce regulations to permit casino-type gambling by amending the Betting and Gambling Act. I just want to be assured of that. There is a very well-known technique that you slip one between bat and pad and before you know it you are gone. So we just want to make sure that we have not come to that most serious issue today.

I have one major comment on this measure and that is, it really is running counter to the philosophy of a market economy which is the direction that we are correctly taking the country. I say this because this measure is permitting what is called, non-price competition. Non-price competition is a serious evil in international trade and no less in regular domestic trade. So that anything that allows actors in the marketplace to get away from price, quality and service is really counter to the central thrust of the philosophy in which we are pointing the nation, as I said, correctly.

The larger firms will have the advantage in this issue since you must have a minimum volume before you could offer a prize. So that the smaller actors in the distribution chain, for example, would not be able to get sales purely on the basis

of the competitive price, service and so forth. It is very well known that in the whole issue of gambling, what is called a fair game where the probability of winning is zero all round, is seriously modified where the stake is very small and the prize very high. In other words, if on average by staking \$10.00 my average winnings would come out at zero, that is a fair game statistically, but if the prize I can win takes me completely out of the plane in which I normally operate, into quite a different plane, then I am prepared to write off whatever I stake just to get a chance at that prize.

I am really saying that, to me, the whole moral basis of the competitive economic system is undermined by a practice such as this. I know it has been in existence for quite a long time. I also know that it is quite widely practised, but I do see it in that light. I wonder whether the hon. Minister would say specifically why this is restricted to VAT-registered companies only. Is it that smaller companies would be excluded because they are small?

I do not agree also that this is not organized for profit. After all, the objective in sales is to make profit at the end, so that any device that brings in patronage more than otherwise would have come in, would impact on one's profits. So I do see this as not correctly represented here when we say that the method or device is not organized for profit.

As I say, my major concern is that this measure is running counter to the baseline economic philosophy that we are pursuing, namely, a market-oriented economy where price, quality and service must be the key elements.

I thank you, Sir.

**2.10 p.m.**

**The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung):** Mr. President, I wish to remind this honourable House that this is a matter which was alluded to in the budget. It was indicated by me at that time, that upon representation having been made by the business community, this particular amendment had been as good in the pipeline even before drafting the budget. It was a matter that was raised because there was a great deal of confusion with respect to the interpretation of the role and function of the National Lotteries Control Board, with respect to lotteries being run by these merchandisers who had used contests as an inducement to expand sales, and as a result of which, it was felt at the time, that the permission of the National Lotteries Control Board was necessary before those contests could have been run. So that, this amendment is

merely—and I would like to emphasize—an attempt to clarify the position, and make it simpler and known, so that people who are interested in running these kinds of contests, will now have an administrative framework which they can understand and operate within.

Mr. President, because the National Lotteries Control Board was the only body that was allowed to run lotteries, it was felt that in cases where contests which may be classified as lotteries, which were being run by Courts and Standard Distributors, and others, the organizers needed to go to the National Lotteries Control Board to get permission. But then the Director of Public Prosecutions and the Attorney General's Department, having studied the law, felt that it really was not within the power of the National Lotteries Control Board to give such permission. It was really up to the Director of Public Prosecutions to prosecute people who were breaking the law, namely Courts and Standard Distributors, who were running these contests outside of the law. So that this amendment is intended to ensure that from here on, the law is fairly clear as to how these contests can be permitted within the context of our business environment.

So I wish to give this honourable Senate clear assurance that this Bill has absolutely nothing to do with casinos. It has only to do with a clarification with respect to how these contests are run. There will now be an administrative framework within which they can operate. It means that we put specific time frames within the law, that require that the National Lotteries Control Board must give its approval within two weeks, and that is to ensure that business can operate in a fairly even and free flow.

The notion that this is not strictly a free market type system, is something that I would not want to argue. I understand clearly that in a pure sense, a free market system should really be devoid of any cost that is not strictly associated with the cost of producing any product or service and that in the purest sense, one should ensure that any cost that is charged to a consumer should be as pure as possible.

We have seen that in competitions many devices and strategies have been coming forth, which are really nothing more than inducements for people to purchase goods or services from specific companies. These inducements, in an accounting sense, have been classified as sales overheads or marketing overheads and people have not seen them merely as an added cost, but as a marketing cost to expand the market base of any business. I really would not want to get into an argument as to whether it is morally correct for these companies to do it or not.

Surely, as a former businessman, I see them as being a necessary tool and unfortunately they are going to become more and more popular, merely because people are attracted that if they should make a purchase of one thing and—in many cases I do not think that people are going to purchase merchandise from a business house if they feel, in the first instance, they are not getting good price, good quality and good delivery. That is my own feeling. I may be subject to error, but I think that every consumer, in the first instance, has a duty to himself to ensure that he is paying a proper, adequate, or reasonable price for a reasonable quality product which can be delivered to him within a reasonable time frame. On that basis, he is going to buy that product. I do not think that any reasonable consumer is going to be overwhelmed by an inducement to win a huge prize, merely for the sake of going to a particular merchandiser, if he feels in the long run, the merchandise he is buying is of a bad quality, a high price, or it cannot be delivered to him within a reasonable time. That is my own feeling. I use that merely because of my own approach to merchandising or to consumer spending.

I think the reason for this is because one is competing with so many other consumers, the inducement really is only an inducement as such after having made the decision to purchase, rather than using the inducement as the decision to make that purchase. I may be wrong, but I assume that consumers generally take the care to ensure that they are getting value for money first, before they decide from whom they will purchase any product.

To answer the other specific questions, therefore, we will ensure that business houses are not unduly delayed with respect to approving these applications. As I said, the first point that was raised by Sen. Mannette was the question of how these companies and advertising companies are going to be assured that they are not going to be delayed unduly. We have put into the law the fact that we want the National Lotteries Control Board to respond within two weeks. We would hope that these approvals that are being applied for are not being done in a frivolous manner and that the National Lotteries Control Board will not be bombarded with a huge number of applications so that it becomes administratively impossible for us to honour that two-week response time. We will hope to monitor whether these approvals are really being carried out. I say that because it is anticipated that if one gets a host of approvals, it is possible for companies, having got those approvals, not to carry through their plans, which, in the long run will end up being a waste of the board's time, having to consider applications and finding that these applications are not being used.

With respect to the point about some cases where there are contests in which the winners are never announced, it is not a matter that was considered under the legislative part, but what we will do as the Government, is to ensure that the Ministry of Consumer Affairs is alerted to the concerns raised in this Senate, as well to the concerns by the people who take part in these contests, to ensure that these contests are run properly, that the prizes are properly distributed, that winners are known and contacted, and that these contests are not—as I said in the legislation—another sham merely to induce people to buy from particular business houses, only to find that these contests are not really and truly a part of the marketing strategy.

I am told that "Minister" in the Act, means the Minister to whom the National Lotteries Control Board has responsibility. In this case I, as Minister of Finance and Minister of Tourism, have responsibility for the National Lotteries Control Board, but it is possible that under a different administration the minister could be a Minister of Trade, if the National Lotteries Control Board is asked by that administration to report to the Minister of Trade. So it is really the minister to whom the National Lotteries Control Board reports. I hope that clarifies Sen. Mannette's point.

Like Sen. Montano, I think that it is a deductible expense. I have not had it clarified, but I will assume—as I said, my thinking is that these prizes will be considered as a marketing overhead or sales overhead depending on the type of company and this is nothing more than a marketing expense and should legitimately be a deductible expense. I have not had any complaints about it not being allowed, so I cannot say for a fact the Board of Inland Revenue will not allow these expenses as deductible expenses.

With respect to the VAT, I myself am not familiar with exactly how the VAT administration is going to treat discounts, but I assume that discounted goods will now mean you pay VAT only on the discounted price. I may be wrong again, I can have this verified. I am really not sure about the policy by the VAT administration on discounted goods. My top-of-the-head comment would be that, you will pay VAT on the net discounted price, not on the gross price less the discounts. So that if you had 10 cars but you only paid for eight, I assume you will pay VAT on the price of the eight cars and not on the 10.

**2.20 p.m.**

Again, one can end up in a situation where one would suffer a loss if the discount is greater than the VAT that has passed through the transaction several

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times, in which case one would pay less VAT and the person who made the total VAT payment would have paid more than can be claimed because he would have collected less VAT on the sale, having given a sizable discount.

Mr. President, the last point I would like to mention is on the question of profits. When we said that it was not for profit, what was intended is that the actual contest of itself must not be for profit, but I do accept that the whole transaction or the whole strategy was developed, in the first instance, to improve profits, so in that sense and maybe, in an indirect manner, one can say that it is for profit. The law was framed to ensure that one does not run a contest and that the contest directly generates profits, so that there should be no charge for the contest and that the gross proceeds of the contest must not exceed the cost of the prizes, in which case, a profit will arise as a result of the activity of the contest in its pure sense. That is what we meant when we said that we would ensure that these contests are not being run for profit. The reason being that the only authorized body to run contests for profits is the National Lotteries Control Board. Again, that was to ensure that there is no competition, as Sen. Rev. Teelucksingh said.

**Sen. Prof. Spence:** Mr. President, could the Minister tell us why micro enterprises were excluded; that is, if they earn under \$100,000?

**Hon. B. Kuei Tung:** Mr. President, it is precisely that which was suggested. Given its size, it was not thought that these small companies which have been excluded from VAT, in the first place, would have been able to generate enough sales, because if they do generate enough sales then they become vatable. So, it is really there for convenience. One wanted to make sure that it was not a way of getting around the Value Added Tax with respect to the actual prizes being distributed because the value of the prizes, if it exceeds the value of the turnover, would just create a mockery of the whole system. It was felt that those enterprises that were not vatable or not registered for VAT should be excluded for this purpose. That was the only purpose, really, hon. Senators, for what I thought was going to be—I would not use the word “simple”—an easy matter. *[Laughter]*

With these few words, Mr. President, I beg to move.

*Question put and agreed.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole Senate.*

*Senate in committee.*

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*Clause 1 ordered to stand part of the Bill.*

*Clause 2.*

*Question proposed, That clause 2 stand part of the Bill.*

**Sen. Prof. Spence:** Mr. Chairman, may I say again that I still feel that the exclusion of small businesses is unfair. I have no particular amendment, but I just want to make the comment that I think it really is unfair. A small business might be making jam, for example, and may decide that it would give 10 bottles of jam as a prize. I do not think it is fair.

*Question put and agreed to.*

*Clause 2 ordered to stand part of the Bill.*

*Question put and agreed to, That the Bill be reported to the Senate.*

*Bill reported, without amendment; read the third time and passed.*

#### RELATED BILLS

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. President, as Bills Nos. 2 and 3 on the Order Paper, namely, the Sugar Industry Special Funds (Amdt.) Bill and the Sugar Industry Labour Welfare Committee (Incorporation) (Amdt.) Bill are interrelated, I seek leave of the Senate to have them debated together.

*Agreed to.*

**Mr. President:** Hon. Senators, this means that Senators may speak on both Bills when they rise.

#### SUGAR INDUSTRY SPECIAL FUNDS (AMDT.) BILL

*Order for second reading read.*

**The Parliamentary Secretary in the Ministry of Housing and Settlements (Sen. Carol Cuffy-Dowlat):** Mr. President, I beg to move,

That a Bill to amend the Sugar Industry Special Funds Act, Chap. 64:04, be now read a second time.

The Bill before this honourable Senate is really procedural in nature and serves to correct an administrative oversight that took place several years ago. This Bill finds its parent Act recorded in the statute as Act No. 12 of 1948.

**2.30 p.m.**

The present Bill seeks to perform two distinct functions. Firstly, to amend the Sugar Industry Special Funds Act, Chap.64:04, section 2 of which is in fact the interpretation section, and which currently reads as follows:

"In this Act, 'Minister' means the Minister responsible for Agriculture."

The amended version, Mr. President, would now read:

"In this Act 'Minister' means the Minister to whom responsibility for Housing and Settlements is assigned."

The function which the second Bill seeks to perform at clause 4 is the validation.

Clause 4 states:

"All acts and things done or purported to be done by the Sugar Industry Labour Welfare Committee in the exercise of powers conferred under the Act are deemed to have been lawfully and validly done."

In asking Members of this honourable Senate to support this amendment it is necessary, Mr. President, to provide some background information on the circumstances which necessitate a change in the legal instrument. It would be noted that the parent Act in question was established during a period of our history when we were still reeling under the vestiges of colonialism. In response to recommendations made from the externally appointed Salisbury and, subsequently, the Moyne Commissions, the Sugar Industry Labour Welfare Committee was established to address the squalid housing conditions which the barrack system presented to sugar workers.

Those of us who know our history and are students of history, would recall that the entire country was governed at that time by fewer than five ministries, and that governmental intervention in the delivery and regulation of goods and services, was far less than what obtains today. As a matter of fact, a proliferation of government ministries occurred during the period subsequent to independence in 1962.

Mr. President, when the Sugar Industry Labour Welfare Committee was activated in 1952 following the enactment of the legislation, there was in fact, no Ministry of Housing and Settlements. Indeed, the creation of such a ministry is a recent phenomenon of the increase in governmental activity on an international scale. Thus the obvious recourse adopted by the colonial government at the time,



was to lodge the responsibility for the Sugar Industry Labour Welfare Committee within the portfolio of the Ministry of Agriculture. Not only for the reason that no housing and development ministry existed at the time, but more so because sugar is rooted in an agricultural base and that the necessary funding for all the services was sourced from the levy on every tonne of sugar which was exported by manufacturers.

To date, Mr. President, the Sugar Industry Labour Welfare Committee continues to be funded to the said levy of \$2.40 for every tonne of sugar exported. Apparently, soon after limited autonomy for self-government was introduced in the late 1950s and early 1960s, and when a separate government ministry was created for housing, responsibility for the Sugar Industry Labour Welfare Committee was shifted from the Ministry of Agriculture and placed under the housing portfolio. The particular shift may have been effected not only for the ease it presented for co-ordination in matters of housing and policy but also for uniformity of approach in tackling the housing problems. Thus, while no one would argue against the feasibility of shifting the responsibility of the committee from the Ministry of Agriculture to the minister responsible for housing, even in hindsight, we realized the anomaly which we face today could and should have in fact been regularized. As a matter of fact, the necessary amendment which we seek today could have been avoided had the entire shift not been handled, in what I would deem, a haphazard and slipshod manner. If the proper thing had been done, Mr. President, we, today would not have been seeking this approval from this honourable Senate to validate acts and decisions taken by the Sugar Industry Labour Welfare Committee.

It is interesting to note that as soon as this anomaly was brought to the attention of this Government it sought legal expertise from the Attorney General to give effect to the amendment which now allows, at the end of the day, the hon. Minister of Housing and Settlements to give general directives and advice to the Sugar Industry Labour Welfare Committee.

Meanwhile, the Ministry of Housing and Settlements resorted to the arrangement as stipulated in the Act which allocated responsibility for the Sugar Industry Labour Welfare Committee to the Minister of Agriculture. Thus, after several decades of orientation and relevance in dealing with common policy matters at a housing ministry, it was becoming rather frustrating to refer shelter matters to officials of the Ministry of Agriculture who may lack the necessary understanding and expertise in these issues.

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Mr. President, the fact that we now address all matters of the Sugar Industry Labour Welfare Committee to the Ministry of Agriculture, has served in the past to delay and at times, retard the progress of the committee. The acute housing problems today present a challenge which our Government is prepared to tackle head on, and to do this effectively we need to muster all our resources and agencies which are engaged in the delivery of shelter. The Sugar Industry Labour Welfare Committee is a crucial link in the delivery of low-cost housing especially to low-income sugar workers and cane farmers.

Since the committee was established in 1952 it has tackled the housing problem through the use of self-help measures and scarce financial resources. It has, in fact, created miracles in the delivery of low-cost housing. To date, this organization has provided loans and has facilitated the construction of approximately 20,000 three-bedroom houses within the sugar belt. I issue an invitation to all my hon. colleagues to visit the committee's 21 housing settlements and to see the achievements of low-cost housing in these areas. However, we are well aware that we are far from making a severe dent in the housing needs, and this is why we need this amendment to ensure that service can be delivered promptly and efficiently. The amendment would further facilitate a co-ordinated approach to housing and would ensure a common approach to issues relating to housing policy.

Having understood and appreciated that there was an anomaly which did in fact exist in the law, we would now have to validate certain acts and functions that would have taken place previously. The second Bill seeks to validate the acts or decisions which were taken by the committee which was appointed by the former Minister of Housing and Settlements and which performed uninterruptedly during the period. Some of the acts and decisions taken are as follows: Loans for the erection of new houses as well as repairs, renovations and extensions of existing houses. All the approvals are recorded in duly constituted and confirmed minutes of the meeting of the Sugar Industry Labour Welfare Committee.

The committee in question also conveyed housing lots to beneficiaries whose 20-year leases were expired. Certain allotments were also given to religious bodies for the construction of places of worship and for conducting community activities. Such decisions are also recorded in confirmed minutes.

The Sugar Industry Labour Welfare Committee recommended and on the advice of the then honourable Minister of Housing and Settlements, Cabinet approved:

A system of service charges for legal matters in 1994;

Increase in erection loans from \$55,000 to \$70,000;

Increase in repair, renovation and extension loans from \$15,000 to \$25,000;

Introduction of a flat interest rate of 5 per cent;

A non-refundable processing fee of \$50 for any application for a loan.

The committee also recommended and on the advice of the current Minister of Agriculture, Land and Marine Resources, the Sugar Industry Special Funds Act was amended in March 1996 to allow workers of the diversified programme of Caroni (1975) Limited, to source housing loans. It also recommended, on the advice of the hon. Minister of Housing and Settlements and Cabinet approved the award of three bursaries for final undergraduate studies leading to a social sciences degree at the University of the West Indies, St. Augustine.

With effect from 1996 and continuing on an annual basis, the committee has approved the award of book grants to the children of sugar workers on the basis of need. On the recommendation of the committee, the hon. Minister of Agriculture, Land and Marine Resources, in 1995, approved investments of \$5 million from the provisions of the Sugar Welfare Fund—this we must understand and appreciate is a revolving fund, funded solely by the returns from the investment of the Sugar Industry Labour Welfare Committee.

Mr. President, this honourable Senate is therefore asked to validate the foregoing acts and decisions, as well as all other decisions which are related to the smooth operation of the Sugar Industry Labour Welfare Committee which are duly recorded in the confirmed minutes.

**2.40 p.m.**

Mr. President, with your leave, there is a slight amendment to be made to the marginal note of the Bill to amend the Sugar Industry Special Funds Act, Chap 64:04. On page four, the marginal note reads: "Chap. 64:04 repealed." Instead of the word "repealed", we substitute the word "amended."

Mr. President, I beg to move.

*Question proposed.*

**Sen. Nafeesa Mohammed:** Mr. President, when I looked at these two Bills, at first blush the thought that passed through my mind was that the present Minister of Housing and Settlements was looking for some kind of new responsibilities. I recall sometime ago it was reported that he said that there should be no Ministry of Housing and Settlements. However, upon a closer examination of the Bills and after listening to the Parliamentary Secretary in the Ministry of Housing and Settlements presenting them, we on this side certainly have no difficulty in supporting the proposed amendments in order to rectify the anomaly to which the Parliamentary Secretary referred.

What amazes me is the hon. Senator, at the beginning of her contribution, gave us a brief history of the Sugar Industry Labour Welfare Committee. She made mention of the commission in the early 1950s that led to the setting up of this committee. She indicated that the purpose of the committee was to improve the squalid living conditions of persons working and living in the sugar industry. Her rationale about the anomaly that existed when there was some shift that took place from the Ministry of Agriculture to the Ministry of Housing, was a bit unfortunate because it appeared as though the hon. Senator was attempting to pass blame on this particular issue. It shows how superficially this Government is operating its business. I say so because it is as though we are operating on auto-pilot. Here it is today, a Tuesday afternoon, we are in this Senate to rectify this anomaly. We have no problems with rectifying the anomaly, but certainly, on an occasion like this when we are dealing with the sugar industry this Government should have been giving us some more information with respect to what is taking place in the sugar industry; I refer particularly to the status of the implementation of the Tripartite Report. We have asked about it time and time again, in this year's budget debate and indeed in last years budget debate. We know that this Government signed an Inter-American Development Bank loan in June, 1996. We would like to know more about what is being done to make this company more cost-efficient or, is it that they are reversing the gains that had been made over the years when the PNM was in Government?

Mr. President, more specifically with respect to the operations of the Sugar Industry Labour Welfare Committee, I would just like to point out that initially when this committee was formed—the inception was really in 1952—the committee operated under one source of funding, and that was the Sugar Industry Labour Welfare Fund. It was under the administration of the PNM government in 1957 that it was decided to meet the cost of administration of this particular fund.

Over the years, as the hon. Senator pointed out, this committee had really been doing a significant amount of work in terms of the provision of low-cost housing for persons involved in the sugar industry and, indeed, in the development of lots for purposes of building houses and so forth. We must commend the efforts and the work of this particular committee.

Mr. President, if it is that we are dealing with an amendment to these two Acts by way of these two Bills, I make an appeal to the hon. Parliamentary Secretary and, indeed, to the Government to consider broadening the scope of the activities of this Sugar Industry Welfare Committee to enable, not just sugar workers but indeed low-income earners especially those in the rural areas and those who live in the heart of the sugar belt, to access loans from this committee.

In fact, I think the suggestion had been made sometime ago that the name of the committee could even be changed to, for example, a low-income worker's housing committee so that low-income workers can be assisted. For example, persons involved in the cocoa industry and even persons who are employed with the regional corporations. Quite apart from that, from my little knowledge of the operations of this committee, I understand that when these loans are accessed leases are normally granted. I think it used to be a situation where a person would pay a very small rent and after a period of 20 years, the actual freehold title of the particular plot of land would be conveyed to that sugar worker. It was changed sometime ago to a situation where a 30-year lease was granted, sometime in late 1986, with an option to renew for a further 30 years. I would like to further suggest to the Government that they consider either extending the term of the lease from that 30-year period to perhaps a 199-year period so that the low-income earner would be able to have a longer period of tenure on the particular property, or even consider reverting to the old system of conveying the freehold title to these persons.

The hon. Senator made mention of an amendment sometime ago—I believe it was last year—whereby the diversified workers of Caroni (1975) Limited were being allowed to access those loans. We commend this effort and we support that particular measure.

As I mentioned before, we certainly appeal to the Government to consider making these loans available to a larger cross-section of low-income earners.

**2.50 p.m.**

Mr. President, in closing I would just like to find out if at present there is a validly appointed board operating this particular committee. We know what is

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happening with boards and so forth, but certainly, if there is not a board that is duly constituted, then it may very well hold back the progress of the work that is supposed to be going on in terms of the finalization of loans and so forth.

Mr. President, we on this side recommend the attempt to rectify this particular administrative anomaly as the hon. Senator referred to it, but certainly we want to get on with the business of running the country—hon. Minister of Public Administration, we are on auto-pilot—so we look forward to more substantive matters. From the Parliamentary Secretary in the Ministry of Agriculture, Lands and Marine Resources who is present here, we look forward to the day when she would give us some idea or update of the status of the implementation of that Tripartite Report and what exactly is happening down in Caroni—particularly in Caroni (1975) Limited—especially in light of reports about corruption taking place in Caroni (1975) Limited, where even the Minister of Agriculture, Land and Marine Resources has acknowledged that there is corruption. So we look forward to these things, Mr. President.

**The Parliamentary Secretary in the Ministry of Housing and Settlements (Sen. Carol. Cuffy-Dowlat):** Mr. President, I wanted to be gracious this afternoon, leave the politics out of this debate and be relevant to the matter at hand. However, my hon. friend seems to want to indulge in some sort of politicking. Might I point out to this honourable Senate, that if her Government at that time—the PNM Government—had the foresight, the intelligence, the legal capacity and the ability to appreciate what decisions it was making on June 11, 1991, when it went to Cabinet to appoint a new committee, it would have appreciated that the committee should have been appointed by the Ministry of Housing and Settlements and not by the Ministry of Agriculture, and hence it would have made the relevant changes.

**Sen. Mohammed:** Mr. President—just to point out—I know we do not wish to engage in politicking at this point, but certainly, in July 1991, I think it was the NAR government which was in power.

**Sen. C. Cuffy-Dowlat:** Mr. President, June, 1991 which board expired in 1996, and to which the then PNM government did not seek the opportunity to clarify the law and to correct the anomaly which existed. Further, I think my learned friend should appreciate that here we are dealing with a statutory board—the Sugar Industry Labour Welfare Committee—and not Caroni (1975) Limited. Again, the tripartite agreement dealt with Caroni (1975) Limited and not the Sugar Industry Labour Welfare Committee, a statutory board.

Mr. President, I think I must admit that the present Ministry of Housing and Settlements and the Ministry of Agriculture, Land and Marine Resources, together with the Sugar Industry Labour Welfare Committee, are in fact having discussions in terms of broadening the scope of the term “worker” to include other low-income persons. I assure the hon. Senator that the Ministry is, in fact, looking at this and recommendations are forthcoming to extend the term of “worker” to include other non-sugar workers or to include low-income persons.

As to the query raised concerning the validity of a board, again I wish to point out to my hon. friend that once this anomaly is corrected, the Ministry of Housing and Settlements would take the necessary steps to ensure that a validly appointed board is presented to the people of Trinidad and Tobago.

I think, Mr. President, that I have dealt with the issues raised by my hon. friend and I take this opportunity to thank this honourable Senate for the support given.

*Question put and agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole Senate.*

*Senate in committee.*

*Clauses 1 and 2 ordered to stand part of the Bill.*

*Question put and agreed to, That the Bill be reported to the Senate.*

*Senate resumed.*

*Bill reported, without amendment, read the third time and passed.*

**3.00 p.m.**

**SUGAR INDUSTRY LABOUR WELFARE COMMITTEE (INCORPORATION)  
(AMENDMENT AND VALIDATION) BILL**

*Order for second reading read.*

**The Parliamentary Secretary in the Ministry of Housing and Settlements (Sen. Carol Cuffy-Dowlat):** Mr. President, I beg to move,

That a Bill to amend the Sugar Industry Labour Welfare Committee (Incorporation) Act and to validate things done thereunder, be read a second time.

*Question proposed.*

*Question put and agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole Senate.*

*Senate in committee.*

*Clauses 1 to 4 ordered to stand part of the Bill.*

*Question put and agreed to, That the Bill be reported to the Senate.*

*Senate resumed.*

*Bill reported, without amendment; read the third time and passed.*

#### ARRANGEMENT OF BUSINESS

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. President, we have passed item 13 which is "Introduction of Bills". However, I seek leave of the Senate to introduce the Copyright Bill at this stage of the proceedings.

*Agree to.*

#### COPYRIGHT BILL

Bill to make provision in respect of copyright and neighbouring rights, in substitution for the Copyright Act, 1985, and for related purposes [*The Minister of Public Administration and Information*]; read the first time.

*Motion made, That the next stage of the Bill be taken at the next sitting of the Senate. [Hon. W. Mark]*

*Question put and agreed to.*

#### ADJOURNMENT

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. President, I beg to move, that the Senate do now adjourn to Tuesday, February 4, 1997 at 1.30 p.m.

**Mr. President:** Before I put the question on the adjournment, there is a matter to be raised on the Adjournment by Sen. Danny Montano.

#### Horse-Racing Industry

**Sen. Danny Montano:** Mr. President, the matter deals with the dislocation and negative impact of the unemployment and economic activity in the horse-



racing industry, as a result of Government's failure to address the problems now facing the horse-racing industry.

I am not a horse-racing fan. I do not take part in it. I have attended once and enjoyed it. I was prevailed upon by some members of the fraternity to raise the matter in this honourable Senate, insofar as it seems to have escaped the hon. Minister's attention for some time. It is on their behalf that I intercede at this point of the proceedings to make a small contribution. We know, as we have read in the journals, that horse-racing has come to a virtual halt. The business itself is in complete chaos. While that is taking place, the jobs of approximately 3,000 persons—who are involved directly and indirectly in the industry—are in jeopardy. There are serious investments by the owners, trainers and breeders that are literally being flushed down the toilet.

Some time ago there seemed to be some difficulty with the Betting Levy Board and the Arima Racing Club. The Betting Levy Board which funds the club virtually ceased its funding and, as a result of that, horse-racing came to an end. The Minister of Trade and Industry and the Minister of Consumer Affairs appointed a task force to investigate and make recommendations for the industry. That committee was headed by Justice Davis and reported in October, 1996. What has happened to the report is a bit of a mystery, in that nobody inside or outside of the racing fraternity had a view of it and knew what were the recommendations. We know that the Government, having had the report for the past three months, announced last week that it made a decision as to what it would do.

Now a decision is being made after three months. There is no action as yet, but there is a decision. The members of the fraternity are concerned with what is taking place. In the confusion of last year, an interim committee had been appointed to manage racing. The Government appointed a chairman who was a person who had sought office at the Arima Racing Club on several occasions, but was rejected by the members of the racing club. Notwithstanding the fact that obviously, he was an unpopular choice within the fraternity, he was appointed chairman of the interim management committee.

### **3.10 p.m.**

What happened is that the Government set up conflict within the industry. The Government had originally funded the structure of the Arima Racing Club, and obviously decided that this was a desirable thing, so it put money into it and, therefore, it has an obligation to see it through. In doing so, it set up a committee

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and together with the chairman, it put up someone who was obviously unacceptable to the racing fraternity.

Mr. Chairman, that causes a significant amount of frustration among the members of the fraternity. If it is the wish of the Government to create an ire among its supporters, well that is a matter for them, but it seems to me that is not the way one should go in getting things done. That is the way to get things stalled.

Since October 31, the Davis Commission presented its report and it has been a virtual secret. *[Interruption]* I think it is Mr. Merlin Samlalsingh. What we have is a situation where the report is a virtual secret to members of the fraternity and there have been numerous articles in the newspapers requesting the business plan, or that the report be made public, not the least of which was a very interesting opinion in the *Daily Express* on Friday, January 17, 1997, and I will quote sections of it. It says:

"The racing industry...is now in a state of total upheaval, with owners literally giving away their horses...it would seem logical that any recommendations for improvement would be eagerly implemented to halt the downward slide of this million-dollar industry, which is not only a large-scale employer but also provides tax revenue for the government.

So it is indeed strange that after two and a half months, the report of the Cabinet-appointed Task Force on the racing industry has yet to see the light of day..."

We are still in a situation like that.

Last week, the hon. Minister of Public Administration and Information prepared a release indicating that the Government had a solution for the resolution of the problem, and I am advised that the racing fraternity knows nothing of the details other than what is contained in two articles—one in the *Trinidad Guardian* and the other in the *Daily Express* of January 24, 1997.

Basically, what it says is that in an attempt to resolve the current problems that are being experienced in the local horse-racing industry, the Government has accepted a proposal for the establishment of a National Racing Commission (NRC) to administer horse-and dog-racing in Trinidad and Tobago.

In a media release yesterday, the Minister of Public Administration and Information further disclosed that the Gambling and Betting Act, again, would be amended to allow the NRC to be responsible for administering the national tote

system instead of being the promoter of live racing in Trinidad and Tobago as prescribed by the Act. The Betting Levy Board is expected to finance the initial operations of the NRC, including expenditure relative to the establishment of the national tote system.

In addition to the release, the Betting Levy Board is expected to receive 50 per cent of the profits earned by the NRC to develop the racing industry. Local racing is currently at a halt. Two days of the 1997 racing season have been cancelled so far.

The coverage in the *Daily Express* was almost identical, except that it went on to indicate the composition of the proposed board of the NRC, and of interest, it says that a Government nominee is to be assigned as the chairman, without having any details of how or when this is going to work. The fraternity is wondering who is going to be this nominee, and whether it is going to be the same person who is now heading the interim committee. If that is what is going to happen, we have a situation, Sir, where the people involved in the industry are not being allowed to manage their own affairs; it is being superimposed upon them. Not only that, but the chairman of the whole arrangement is being superimposed upon them and it is a person, who, being a member of the fraternity has sought office within that fraternity and has been rejected on numerous occasions. So there is serious concern that the Government is not really paying attention to what the people in the industry are saying, and that would be a great pity.

It therefore leaves a number of questions to be answered. When is this NRC actually going to come into effect? When can the fraternity expect racing to start again? What is to happen with the assets of the Arima Race Club? Is the body to be disbanded or ignored? Is the formation of the National Racing Commission dependent on the establishment of the national tote system? What has been done to draft the legislation to put that in place, and how long will it take? Of course, the remaining question is: Where is the Davis Report, and why is it not made public?

Sir, in closing, I ask that the Government to be cognizant and aware of the fact that they have created significant discord within the racing fraternity and that must be addressed. The Report must be released at an early date, and while a decision has been made, I think the fraternity needs to know that there is a plan and a time frame within which the plan will take place.

I thank you, Sir.

**The Minister of Finance and Minister of Tourism (Acting Minister of Trade and Industry) (Sen. The Hon. Brian Kuei Tung):** Mr. President, I rise to respond to some of the comments which had been made by the hon. Senator with respect to the racing industry.

My first comment is that the current situation in the racing industry is an accumulation of a great amount of discord and disagreement that had been taking place for many years. I recall when I was in the previous administration as the Minister of Trade and Industry, it was under my aegis that I called the parties together at the Holiday Inn in 1992 or 1993 and asked all the senior members of the fraternity, and those who are well known and respected in the racing industry to see if we could get a plan of action going to bring racing back on track.

At that time, you will recall, Mr. President, racing was taking place at the Queen's Park Savannah, Union Club and at Arima. A decision was made that it was impossible for the racing industry to support three tracks, given the fact that it had shrunk to such small limits. It was felt that the limited resources which were available to it should be used more effectively by being allocated to one track.

Having made negotiations with the Government, it eventually was able—because the racing industry had owed the Government a great amount of back taxes—to allow the Arima Race Track to become the centralized place for all future racing, and the Government took over the assets at the Queen's Park Savannah and Union Park.

However, that, Mr. President, did not seem to have been the solution to the problem, and instead racing, over the years, even though centralized, shrunk to one track and continued to be plagued by a number of problems, not the least of which was its finances.

### **3.20 p.m.**

In recent times, many attempts have been made to resuscitate racing to the glory days of the past but, to my mind, there are so many different viewpoints as to how racing should be resuscitated, that we continue to see a great deal of discord among members of the industry.

I am not aware—and I am sure no other member of our Government is aware—that any individual whom we have proposed, or who has been involved in racing in recent times, has been rejected by the Arima Race Club for a position. However, that is their democratic right. We also believe that if we had to find

solutions to the problems of the racing industry, it must be through a member who has an interest in racing. We were confident in putting that particular member at the time because when racing came to a halt just before Christmas, the task force report had just come in; it was being considered by Cabinet. The task force had made quite a number of recommendations, but in the interest of getting racing back on its feet, we made a decision in early December to appoint a temporary management committee made up of two representatives of the Betting Levy Board, two representatives of the Race Horse Owners' Association and three representatives of the Arima Race Club. It was that management committee, I believe, the Senator said which was chaired by Mr. Samlalsingh. Mr. Samlalsingh, as far as I know, has been a racing enthusiast for most of his life and we could not think of any disqualification for him in terms of his chairing this committee to ensure that racing got back on track. As it were, races were held on Boxing Day.

The Betting Levy Board was directed by Cabinet to fund racing again, and in spite of pumping approximately \$440,000 into racing over the period December 10, 1996 to January 22, 1997, it finds itself in a financial crunch yet again.

Mr. President, this Government is fully aware of the jobs that are involved in the industry and is certainly committed to finding solutions to job loss. However, this Government cannot continue to pump money into an industry which firstly, does not attempt to regularize itself and, secondly, to find long-term solutions which will not become a drain on the national Treasury. We cannot continue to pump money merely because we want to protect jobs. We have reached the point, therefore, where, pursuant to the recommendations made by the task force, a national racing commission is being formed—that was the decision taken last Thursday by Cabinet—at which representation would be sought from both Government and the racing industry to ensure that a long-term solution can be found for racing.

I know that other recommendations have been made by the task force. I know that Cabinet did not make a decision to release these recommendations, but it is certainly something that I am prepared to have discussed at Cabinet at its next meeting to see whether the report should be made public at this time.

There is a great deal of work yet to be done with respect to the task force. The Cabinet decision which was made last Thursday to form a national racing commission would require the Attorney General to look at all the legislation that governs racing. I am not sure if the administration machinery has been worked out as to how the Betting Levy Board, the National Racing Commission and the new

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tote system will be co-ordinated. Like Sen. Montano, I myself am not a horse-racing fan, so I am trying my best to respond with the very limited knowledge that I have of the racing industry. I have, unlike the Senator, attended races many times, but I am not really a horse-racing fan in the true sense. I can only give the undertaking that Government will continue to pursue measures that would bring long-term solutions to the problem but these measures, unfortunately, seem as if, in the interim, they would only require large finances.

I am aware that the banks which had supported the Arima Race Club and the present tote system have become concerned about the losses that the Arima Race Club and the company which handles the tote system have racked up. I am told—and this is not official—that because of the banks' actions, races have come to a halt. The banks are no longer prepared to finance these two bodies without having some long-term plan in place.

Mr. President, I thank you.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 3.25 p.m.*