

**HOUSE OF REPRESENTATIVES***Wednesday, September 13, 1995*

The House met at 1.33 p.m.

**PRAYERS**[MR. DEPUTY SPEAKER *in the Chair*]**STANDING ORDERS REVIEW**

**Mr. Deputy Speaker:** Hon. Members, during the sitting of the House on September 11, 1995, I received a communication by letter of even date, informing me that the Member for Chaguanas, who had been elected to that seat as a Member of the United National Congress, had been expelled from that party. That letter was signed by the Hon. Basdeo Panday in his capacity as Leader of the Opposition and was supported by an earlier letter dated February 15, 1995, signed by 13 members of the United National Congress, supporting Mr. Panday as Leader of the Opposition in the House.

The effect of this communication was to invoke the provisions of section 49A of the Constitution of Trinidad and Tobago, which would then require the Presiding Officer to make a declaration at this sitting of the House that the Member for Chaguanas has been expelled from the party.

The provisions of section 49A have been the cause of much controversy since its enactment in 1978. Indeed, its constitutional validity was tested by constitutional motion in the courts of our land and was upheld by the Privy Council in the case of *McLeod v. The Attorney General*.

Nonetheless, throughout the years there has been concern over the procedure for applying these provisions in the light of section 49A, (5) which reads as follows:

"(5) Standing Orders shall make provision for the identification and recognition of the leader in the House of Representatives of every party and for otherwise giving effect to this section."

The parliamentary records reveal that no such Standing Orders have ever been made. In fact, by letter dated June 17, 1992, the present Attorney General wrote

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to the Speaker in her capacity as Chairman of the Standing Orders Committee, as follows:

"The Honourable Madam Occah Seapaul  
Speaker of the House

RE: STANDING ORDERS COMMITTEE

I understand that there is a view that there should be a comprehensive review of the Standing Orders of the House of Representatives. However, no Standing Orders have ever been made to deal with the provisions of section 49A of the Constitution.

Enclosed herewith is a proposed draft which the Committee may wish to consider at the earliest opportunity."

And the draft was enclosed.

Hon. Members the records of this Parliament indicate that, despite this communication, the Standing Orders Committee has not met to date.

I have noted, further, that although there have been resignations and expulsions from political parties since the enactment of this provision, there has been no occasion on which a party has sought to invoke the provisions of section 49A.

I have, therefore, thought it prudent to seek legal guidance on this matter and on the advice now available to me, it would seem that for the procedures established by section 49A to be properly invoked, the necessary Standing Orders should be made, pursuant to section 49A (5). I have so advised the Leader of the Opposition by letter dated today's date.

In the circumstances I must decline to make the declaration requested of me as Presiding Officer until such time as provisions by way of Standing Orders are made for the identification and recognition of the leader in the House of Representatives of every party.

I may note, by way of amplification, that the expression "Leader in the House of Representatives of every party" is not necessarily for the purposes of the business of Parliament to be interpreted as Prime Minister and Leader of the Opposition in respect of two major parties. A mechanism must, therefore, be put in place to identify the leader not only of the two major parties but, indeed, all parties in this House.

An appropriate Motion must be filed and dealt with by the House in accordance with Standing Order 89. As soon as this is done, the Standing Orders Committee of this House will be convened to deliberate on these matters and report to the House.

**ATTACHMENT OF EARNINGS  
(MAINTENANCE) (AMDT.) BILL**

Bill to amend the Attachment of Earnings (Maintenance) Act, brought from the Senate [*The Minister of Social Development*]; read the first time.

**PAPERS LAID**

1. Financing Contract: Project No. 6 ACP TR 016—7 ACP TR 017 "Road Rehabilitation in Trinidad" between the European Commission and the Republic of Trinidad and Tobago [*The Minister of Finance (Hon. Wendell Mottley)*]
2. Audited report and accounts of Telecommunications Services of Trinidad and Tobago Limited for the year ended March 31, 1995 [*Hon. W. Mottley*]  
*To be referred to the Public Accounts (Enterprises) Committee*
3. Report of the Auditor General on the accounts and financial statements of the Global Pre-Investment Programme for the year ended December 31, 1994 as required by Loan Contract 550/OC-TT between the Government of the Republic of Trinidad and Tobago and the Inter-American Development Bank [*Hon. W. Mottley*]

*To be referred to the Public Accounts Committee*

**1.40 p.m.**

**COMPANIES BILL AND SECURITIES INDUSTRIES BILL**

**Special Committee Report**

**Presentation**

**The Minister of Finance (Hon. Wendell Mottley):** Mr. Deputy Speaker, I beg to lay on the table the report of the joint select committee appointed by the Senate and the House of Representatives to consider and report on the Companies Bill, 1995 and the Securities Industries Bill, 1995.

**ORAL ANSWERS TO QUESTIONS**

**The Minister of Trade and Industry and the Minister in Ministry of Finance (Hon. Kenneth Valley):** Mr. Deputy Speaker, the Government is answering question No. 183 today and is requesting a deferral of two weeks for the other questions on the Order Paper.

**Mr. Palackdharrysingh:** Mr. Deputy Speaker, time and again the Government has treated the Opposition with great disdain. There are provisions in the Standing Orders for the answering of questions. One wonders why this Government treats this Parliament as though it is of no significance, especially when the only semblance of answerability by the Government lies in questions to Ministers.

We, on this side, have to protest once more at the lack of any sort of concern for citizens of this country when their representatives ask legitimate questions and do not receive replies. I just want you to take note of our concern while I wonder whether or not this is now the policy of the Government.

**Hon. K. Valley:** Mr. Deputy Speaker, I think my colleagues on the other side are aware that the Government really bends over backwards to answer questions posed by the Opposition. Only on Monday the Government answered some 12 questions in the House. The fact of the matter is that some questions really cannot be answered in the three-week period. I draw your attention to a couple of the questions which we are asking to be deferred today. The first question, No. 160 states:

- "(a) Could the hon. Minister state the number of persons who resided in, or were citizens of, the Republic of China, Taiwan or Hong Kong, who have been granted citizenship and/or resident status in Trinidad and Tobago since his Government took office in 1991?
- (b) Could he provide the names of these persons, the dates of their applications and the dates of the grant of status?"

That is one. These questions were filed no earlier than July. Look at question No. 168, which states:

"Would the hon. Minister please state the names of the companies and/or firms which have been awarded contracts in respect of projects under and/or in respect of the Road Improvement Fund?"

I understand there are 250 firms. The fact is that the Government has an obligation to ensure the correctness of the information provided to the House. So that while we want to provide answers, there are some questions which, with the best will in the world, cannot be answered within the three-week period. We ask hon. Members opposite to understand that.

**Mr. Maharaj:** Mr. Deputy Speaker, in reference to the hon. Minister stating that if a question was asked in July that is not sufficient time—July, August,

September—that is a long time for a question and there is no provision under the Standing Orders for us to get any postponement for questions.

**Mr. Deputy Speaker:** I take it that Members on both sides of the House take note of the comments and suggestions made here today.

*The following questions stood on the Order Paper:*

**Application for Citizenship/Resident Status  
(Asians)**

- 160.** (a) Could the hon. Minister of National Security state the number of persons who resided in, or were citizens of, the Republic of China, Taiwan or Hong Kong, who have been granted citizenship and/or resident status in Trinidad and Tobago since his Government took office in 1991?
- (b) Could he provide the names of these persons, the dates of their applications and the dates of the grant of status?
- (c) Could the Minister state what criteria, if any, were used in the granting of these applications?
- (d) Could the Minister state whether any of these persons were issued with Trinidad and Tobago passports and, if so, how many?
- (e) Could he also indicate whether any of these persons migrated to the United States of America after coming to Trinidad and Tobago? If so, could he say how many, and how long after their grant of status did they migrate? [*Mr. R. Maharaj*]

**Road Repairs  
(Princes Town Constituency)**

- 167.** (a) Would the hon. Minister of Works and Transport state whether his ministry has any plans to repair the following roads in the Princes Town constituency:
- (i) Mandingo Road;
- (ii) Robertson Road?
- (b) If the reply is in the affirmative, would the Minister state:
- (i) Type of repairs planned for each project;

- (ii) Estimated cost of repairs for each project;
- (iii) When will the repairs begin on each project;
- (iv) Anticipated date of completion of each project? *[Mr. M. Haniff]*

**New Police Station  
(Princes Town)**

**174.** Would the Hon. Minister of National Security please state when will construction of the new police station in Princes Town commence? *[Mr. M. Haniff]*.

**Government Sponsorship Programme  
(MB.BS Course)**

**181.** Could the hon. Minister of Planning and Development state:-

- (a) Why the Government sponsorship programme of Trinidad and Tobago students (other than scholarship winners) entering the Bachelor of Medicine and Bachelor of Surgery course (MB, BS) at the University of the West Indies, St. Augustine has been discontinued?
- (b) The date when this decision was taken?
- (c) Whether the Government considered the consequences of this action in light of the unavailability of doctors to fill junior positions in the various health institutions? *[Mr. T. Sudama]*

**National Agricultural Marketing and Development Corporation  
(Cost of Operation)**

**182.** Could the hon. Minister of Agriculture, Land and Marine Resources state:

- (a) The cost of operation of the National Agricultural Marketing and Development Corporation on an annual basis, from the date of its establishment to the present?
- (b) In what tangible manner, and to what extent, if any, has the corporation promoted agricultural marketing or agricultural development in Trinidad and Tobago?
- (c) Whether, in view of its performance record, this corporation should continue to function as presently constituted? *[Mr. T. Sudama]*.

**Road Improvement Fund  
(Award of Contracts)**

- 168.** (a) Would the hon. Minister of Works and Transport please state the names of the companies and/or firms which have been awarded contracts in respect of projects under and/or in respect of the Road Improvement Fund?
- (b) Could the Minister state whether officers of his Ministry and/or their spouses or relatives have shares and/or interests in these companies? If they do, could he give the names of the officials, the names of the spouses or relatives, the nature of the family relationships and the names of the companies?
- (c) Would the Minister give the particulars of these contracts, which particulars are to include the names of the contractors, the contract price of each contract and the place the contract was performed? *[Mr. R. L. Maharaj].*

**Road Improvement Fund  
(Rental of Vehicles)**

- 169.** (a) Could the hon. Minister of Works and Transport state whether the Road Improvement Fund has been used by his ministry for vehicles to be rented for officials of his ministry?
- (b) If the answer is in the affirmative, could the Minister state whether the officers who used these vehicles also collected travelling allowances as public officers?
- (c) Could the Minister give particulars of the rental agreements, giving the names of these companies and/or firms with which these agreements were entered, the sums of moneys paid for each rental and the reason and/or reasons for the rentals? *[Mr. R. L. Maharaj]*

**Goods and Services  
(Allocation and Expenditure)**

- 193.** (a) Would the hon. Minister of Works and Transport state the sum allocated to, and the sum expended by, the respective districts of the Ministry of Works and Transport for goods and services for the years 1993, 1994 and 1995 under the different heads:
- (i) Recurrent Expenditure;

- (ii) Development;
- (iii) Road Improvement Fund?
- (b) Would the Minister also provide the allocation and expenditure for each transport section in the respective districts for the same period as mentioned above? [Mr. M. Haniff]

*Questions, by leave, deferred.*

**Common External Tariff  
(Importation of French Fries)**

**183. Mr. Trevor Sudama** (*Oropouche*) asked the Minister of Finance:

Could the hon. Minister state:

- (a) Why the Common External Tariff has been suspended in respect of the importation of 5,000 tonnes of frozen French fries for the period June 9, 1995 to June 8, 1996 under Legal Notice No. 77 dated June 7, 1995?
- (b) How much, if any, revenue has been foregone by this order?
- (c) Which firms or corporations would be the immediate beneficiaries of this action?

**The Minister of Finance (Hon. Wendell Mottley):** Mr. Deputy Speaker, prior to March 1993, frozen French fries were classified under Tariff Heading No. 07:10, as vegetables (uncooked or cooked by steaming or boiling in water) and were not subject to customs duty. However, value added tax was charged at a rate of 15 per cent.

In March 1993, the Customs and Excise Division was advised by the World Customs Organization responsible for the classification and valuation of products in Brussels, that the proper and correct classification of frozen French fries was not the one that we had before, but customs tariff heading No. 20:04, that is, (other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen). This ruling was accepted by the Customs and Excise Division. Consequently, based on the local customs tariff, the following taxes were applied after March 1993:

Duty	35 per cent
Import Surcharge	15 per cent
Value Added Tax	15 per cent

The Government was concerned about the impact of the new tariff classification on the cost of living, as the additional duties and taxes amounted to

more than 50 per cent of the original cost of the item. For this reason Government sought and obtained consecutive year-to-date annual suspensions of the Common External Tariff (CET) with respect to frozen French fries, from June 9, 1993 up to and including the period June 9, 1995 to June 8, 1996. This product is not available within the CARICOM region. It was, therefore, necessary to seek a suspension of the CET through the invocation of Article 32 of the Annex to the Treaty of Chaguaramas.

Based on annual consumption levels, it was decided to seek annual CET suspensions in respect of 5,000 tonnes of frozen French fries. The suspension obtained for the period June 9, 1995 to June 8, 1996 is reflected in Legal Notice No. 77 dated June 7, 1995.

The amount of revenue foregone to date, August 11, 1995 by the order which commenced on June 9, 1995 is \$526,121. A breakdown of the taxes foregone is as follows:

Customs Duty	\$457,497
Import Surcharge	Nil (Import Surcharge ceased to exist on this products after 1.1.95)
Value Added Tax	\$68,624 (as a result of the reduced customs duty)
Total Taxes Foregone	\$526,121

The immediate beneficiaries of this action are the following:

- (i) Prestige Holdings Limited
- (ii) West Indies Drive Ins. Limited.
- (iii) Pigalle's Limited
- (iv) J. K. M. Enterprises
- (v) Royal Castle Limited
- (vi) Burger Boys Limited.

**Mr. Sudama:** A supplemental question, Mr. Deputy Speaker. Is this the same Royal Castle in which a former Minister of Trade and Industry has a controlling interest?

**1.50 p.m.**

**Hon. W. Mottley:** Mr. Deputy Speaker, as far as I know, there was a former Minister in the Ministry of Finance, but I think he has long since sold out his holdings in Prestige Holdings Limited to KFC.

**Mr. Sudama:** Mr. Deputy Speaker, I did not ask about KFC, I asked about Royal Castle. Does a former Minister of Trade and Industry, in this PNM Government, have a controlling interest, or any interest whatsoever, in Royal Castle, which is one of the immediate beneficiaries of this exemption?

**Hon. W. Mottley:** Mr. Deputy Speaker, I am informed that he does have a small interest in one of the companies, but not in any of the other five companies.

#### ARRANGEMENT OF BUSINESS

**The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley):** Mr. Deputy Speaker, I beg to move that the House consider Bill No. 1 on the Order Paper before doing motions.

*Assent indicated.*

#### ANTI-DUMPING AND COUNTERVAILING DUTIES (AMDT.) BILL

*Order for second reading read.*

**The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley):** Mr. Deputy Speaker, I beg to move,

That the Anti-dumping and Countervailing Duties (Amdt.) Bill, be now read a second time.

This is safeguard legislation. Its purpose is to amend the 1992 legislation to ensure its consistency with the provisions of the recently concluded GATT as it pertains to anti-dumping and subsidies.

Hon. Members would recall that the parent Act, which was legislated in 1992, sought to protect the domestic manufacturing sector against dumping or subsidized goods where such dumping or subsidization caused material injury to the domestic industry. In international trade, dumping is defined as the export of goods into a country at prices lower than the normal prices in the country of origin.

The definition of “subsidy” is amended by subclause 3(c) of this Bill to accord with Article I of the 1994 Subsidies Code. As I said, the main purpose of this legislation is to make it more consistent.

"(3) For purposes of this Act, a subsidy shall be deemed to exist where a benefit is conferred through the making of a financial contribution by a government or a public body or through the granting of any form of income or price support, and a government or public body makes a financial contribution where—

- (a) it makes a direct transfer of funds or enters into a transaction involving a potential direct transfer of funds or liabilities;
- (b) it foregoes or does not collect revenue which is otherwise due;
- (c) it provides goods or services other than general infrastructure, or purchases goods;
- (d) it makes payments to a funding mechanism, or entrusts or directs a private body to do any of the things described in paragraphs (a), (b) and (c)." *[Interruption]*

That is seen in subclause 3(A) of clause 3 the Bill which states that—

"A finding that actionable injury has been caused shall be made for the purpose of this Act where the dumped or subsidized imports are causing or threatening to cause material injury to the industry producing like goods or are materially retarding the establishment of the production in Trinidad and Tobago of like goods."

There is the concept that the fact that goods are coming in lower than the normal price or value in the home country contributes to material injury. *[Inaudible]*

**Mr. Deputy Speaker:** Hon. Members, I have been advised that the entire sound system is down. Can Members hear what the hon. Minister is saying?

**Hon Members:** Yes, Mr. Deputy Speaker.

**Mr. Deputy Speaker:** Then we would continue.

**Hon. K. Valley:** Mr. Deputy Speaker, I make the point that this Bill and its parent Act, are not the only safeguard mechanism which this Government has sought to implement in its attempt to ensure that our local manufacturing sector is not disadvantaged as we make the transition from the import substitution mode of the last 30 years or so to that of international competitiveness.

Members would recall that in 1992 the system of import surcharges was introduced to push up the effect of the removal of the import negative list. *[Interruption]* We would increase the duties by way of import surcharge and have

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this surcharge reduced over time, firstly, to push up the effect of the removal of the negative list, also for international competitiveness.

Members would note that over the period 1992 to 1994 these import surcharges were reduced, and eliminated as of January 1, 1995. The domestic manufacturing sector was provided with this safeguard mechanism to allow for a smooth changeover from protected to a liberalized trading environment in Trinidad and Tobago.

As I mentioned, the surcharges which were eliminated on January 1, 1995 in the agricultural sector coincided with the removal of these products from the negative list. So, the concept was the same: as we removed these items from the negative list forcing them to face international competitiveness, the safeguard mechanism of surcharges was implemented.

**2.00 p.m.**

There has also been the safeguard mechanism with respect to the Standards Bureau and the Food and Drugs Division. Hon. Members, of course, would remember that the Government obtained a Business Expansion and Industrial Restructuring Loan, otherwise known as BEIRL, in July 1992 from the World Bank, in an effort to promote the development and restructuring of the private sector. The funding was made possible to assist in the transition from the productive environment to the non-oil environment of international competitiveness.

Provisions under BEIRL cater for a four-year programme, and technical assistance to strengthen the services will be provided by the Trinidad and Tobago's Bureau of Standards, which is essential for the improvement of quality certification, testing and research facilities.

Consequently, the Bureau of Standards has expanded its ability to prevent the influx of substandard goods and to prevent injury to the local industry as evidenced by the recent introduction of standards on tyres and new and used electrical appliances. Very Important! From time to time I am sure Members would have seen—I think, in the newspapers—the matter of used tyres coming into Trinidad and Tobago.

The Bureau of Standards has a clear system. In fact, the whole concept is to prevent the dumping of used tyres in Trinidad and Tobago so that the required strength of the operational activity of the Bureau of Standards and the Food and

Drugs Department has been providing that level of safeguard for the local private sector. Then, there is the whole area of Customs and the reform that is taking place there, again, providing another level of safeguard mechanism.

With the advent of containerization, we were aware that misdescription and over-invoicing would create difficulties in unfair customs regulations. Recognizing the increasingly important role that the Customs and Excise Division must play in trade facilitation and liberalization, the Government in 1992, embarked on restructuring of the operations of the Division in an attempt to avoid or minimize the instances of misdeclaration, among other things.

Some of the major incentives in the Customs Reform Programme include firstly, streamlining entry processing procedures by the introduction of the single administrative document for processing all import and export transactions. The introduction of this document is an integral part of the current computerization programme, known by the acronym ASYCUDA. The computerization programme is designed to streamline and accelerate the document processing function of the Division.

In October, 1993, ASYCUDA was installed as a pilot project at the Customs and Excise Department in San Fernando. Since that time, the system is being fine-tuned to cater for a wide range of operations related to entry processing. ASYCUDA is now fully operational at Port of Spain, San Fernando, Piarco and Point Lisas.

Secondly, in support of the revenue protection and collection function, the Regulatory Audit Unit will become operational by the first quarter of 1996. The Board of Inland Revenue and the Vat Administrative Centre will work closely with this unit to ensure the efficient implementation of the provisions of the regulations. The Regulatory Audit Unit will be responsible for investigating allegations of breaches of the Customs and Excise Laws and Regulations through the audit of records and related documents belonging to brokers, importers, and so forth; as well as for verifying values of imports and validating the accuracy of all data for commercial shipments.

Thirdly, the staff of the Valuation Branch will be increased and supported by appropriate amendments to the Customs Act to ensure proper compliance with the GATT Valuation Code. These amendments are to be brought to Parliament shortly.

There will be the establishment of a Marine Interdiction Unit to be combined with the Enforcement Branch. The combination of these two important units is

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designed to mitigate the high incidence of smuggling along the country's coastline.

Another focal point is the establishment of container examination stations at Point Lisas and Port of Spain. These facilities are intended to centralize—

**Mr. Deputy Speaker:** Hon. Members, I have been advised that with the breakdown of the sound system *Hansard* is having some difficulty. I, therefore, suspend the sitting for 15 minutes.

**2.08 p.m.:** *Sitting suspended.*

**2.20 p.m.:** *Sitting resumed.*

**Hon. K. Valley:** Mr. Deputy Speaker, when we were forced to take that short suspension, I was pointing to other safeguard mechanisms that this Government has instituted over the period to protect the domestic manufacturing sector as we make the transition from a protected environment to one of international competitiveness. I was speaking of reforms that were being implemented in the Customs Department, and had mentioned four, so far.

The fifth is the container examination stations, otherwise known as the stripping stations, at Point Lisas and Port of Spain. I made the point that these facilities are intended to centralize container examinations and to minimize the practice of conducting such examinations at importers' premises. By reducing the number of locations at which examinations are performed, the Customs Department would be able to allocate resources more effectively, while, at the same time, performing more intensive and effective examinations.

Additionally, the container examination station would enable the Customs Department to provide improved supervision and to ensure a more timely and predictable service to importers. It is known that the first of these stations has been established at Point Lisas and it is now fully operational.

Another reform item at Customs Department is the comprehensive programme of recruiting and training, which has been drawn up to provide a division with a complement of officers capable of undertaking the task ahead. The training of officers in container examination operations is continuing and the ASYCUDA training would be accelerated into other areas of computerization. Officers would receive further training in passenger processing, cargo handling and other aspects of customs operations.

With respect to recruitment, the Division is in the process of sourcing a cadre of trained personnel with the necessary skills to discharge its required functions.

Mr. Deputy Speaker, while one of the primary functions of the Customs and Excise Division is the collection of revenue and protecting the country's borders against the importation of illegal substances, the methods of achieving these objectives are currently being examined and revamped to meet the needs of the rapidly changing global environment.

More importantly, systems would soon be fully integrated to enable the exchange of information between the Division and other revenue collecting agencies to ensure that present and potential avenues for leakages of revenues are addressed. This notwithstanding, the Division would continue to play a key role in the process of trade facilitation, by ensuring that trading activities are conducted efficiently, expeditiously and in as transparent an environment as possible.

Another safeguard mechanism was taken on April 9, 1993 when the Government announced the liberalization of the currency. If we are moving towards international competitiveness, a fixed exchange rate could not be maintained. While one was operating in the paradigm of import substitution, obviously, that environment called for a fixed exchange rate, negative list and so on. As one changed the paradigm, one had to change the environment to ensure that it was conducive to what one was doing. With the currency liberalization, one was then free to move capital out and into Trinidad and Tobago and to allow prices to reflect that type of trading.

About two months ago, Government agreed to the removal of the five per cent duty on inputs into manufacturing, providing therefore, another safeguard mechanism. By doing that we are putting our manufacturers on an equal footing with a manufacturer in the United States who sources his materials in the United States.

Members would already know that capital equipment imported by the domestic manufacturing sector is exempt in the main from duty under section 56 of the Customs Act. With the removal of the five per cent, one attempted to level the playing field with respect to manufacturers in other parts of the world.

I have argued, however, that the main safeguard mechanism in all of this has been our quest for market access. Our manufacturers have argued, time and time again that our market of 1.2 million is too small for economies of scale. If they

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have to be competitive with firms externally, they need to do runs in volumes larger than those which would be required by our domestic market.

That informed the Government's quest to seek market access in Latin America and NAFTA. We face competition from firms externally; we, too, want to be world-class; we, too, want to be able to export to the large markets which are close to us. I, therefore, submit that our continued quest for new markets for the output of our domestic industries is the main safeguard mechanism we can provide for our manufacturers.

In addition to those safeguard mechanisms, there are some which are at different stages of implementation. The first one I want to talk about, quite briefly, is the whole area of unfair trade practices.

**2.30 p.m.**

In 1993, the Government of Trinidad and Tobago agreed to a consultancy to advise it on the whole area of unfair trade practices. The specific terms of reference of the consultancy were: one to advise the Government of Trinidad and Tobago on overall policy options and possible strategies and to prepare recommendations in respect of a regulatory framework with respect to unfair trade practices.

We were looking here at unfair trade practices other than or excluding dumping and subsidies because we had dealt with dumping and subsidies via Act 11 of 1992 which is the parent Act of the Bill which we are debating today.

The second term of reference was to review existing laws, trade treaties and other legal codes and documentation that may be necessary to the assignment; to prepare draft legislation and relevant regulations; to evaluate the administrative capacity to implement the policies and administer the legislation; and to submit recommendations including any institutional and administrative reform for strengthening the regulatory framework. Under the term of reference the consultancy was also to make specific recommendations with respect to the establishment of an effective information base and monitoring capability; and to oversee the effective functioning in the initial stage of all elements of the new legislative and institutional regime.

This was in early 1993. The consultancy was for a period of six months, by a Washington firm, and the consultant reported in 1994. The main recommendation was for the implementation of a pre-shipment inspection programme and while we had some support from the Trinidad and Tobago Manufacturers' Association

with respect to the concept, members of the Chamber objected strenuously. As a matter of fact, at present, there is still a committee comprising public officials, officials from the Ministry of Trade and Industry, officials from TTMA as well as persons from the Chamber looking at that report to advise on what type of protection the private sector deems appropriate in the circumstance. My view is really leading to the situation, given that we have the stripping stations, no longer is that necessary, but I would await final word from the committee.

There is also action along the lines of competition policy. In 1993, on the Prime Minister's visit to the United Kingdom, the team met with officials from the Adam Smith Institute, an institute which is known for its capability with respect to competition policy and matters incidental thereto.

The Government subsequently hired the firm, Adam Smith Institute, to advise us on the area of competition policy, and Members of the Opposition, especially the Leader who has been talking from time to time with respect to the need for monopoly commissions and so forth, should be aware that, in fact, we are looking into that area. The framework would serve to ensure that private sector companies would operate in an environment which is characterized by fair competition and the framework will address areas such as monopolies, import and export cartels and collusive action on the part of local companies.

At present the committee is seeking the advice of a consultant from UNCTAD in the preparation of the terms of reference for a plan of action to serve to implement the recommendations of the Adam Smith report. So we have brought the Adam Smith Institute here to advise us; they did their work, submitted a report which is now before a committee of public officers and, at present, we are looking to have a consultant advise us on the implementation of the recommendations in the report.

Additionally, both the Standards Act and the Food and Drugs legislation are to be amended shortly. At present, legislation is being drafted and one expects updated legislation would be introduced into the Parliament strengthening the capability of these institutions to provide a safeguard against dumping and other unfair trade practices in Trinidad and Tobago.

I am saying that this legislation must be seen in the wider context of safeguard mechanism because the Government is aware that as we move from one paradigm to another, we have to put everything in place—the institutions, the macro-

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economic environment and, of course, it is known that we have dealt with the macroeconomic environment that is there.

We are now dealing with the Institutions, not merely the financial. One knows, for example today there are Bills on the Order Paper with respect to companies legislation, securities legislation—important pieces of legislation which are required, given the new paradigm. Similarly, this legislation is required to provide safeguards as we move towards international competitiveness.

It is the intent of the Government to have the parent Act proclaimed as soon as this amending legislation is passed. This is now possible since the Anti-dumping Authority, which is required under Part III of Act 11 of 1992 and regulations, required under section 34 have now been established.

I am extremely pleased, to report that our officers have now returned from training, and the Anti-dumping Unit is now established at the Ministry of Trade and Industry, so that we are operational. The regulations, which were in draft in 1992, have been commented on by the consultants and they are now in order, so we can now proclaim the legislation.

Members would know that funding was provided under the Investment Sector Loan Programme which was executed on August 5, 1993 between the Government of Trinidad and Tobago and the Inter-American Development Bank to engage a consultant to assist Government in the setting up of the Anti-dumping Unit, which was required by the legislation, to review the draft regulations, and generally to ensure that the legislation was consistent with GATT. The consultant was also asked to ensure that there was a level of consistency with Government's own programme of trade reform which sought to promote international competitiveness in local enterprises as well as consumer welfare.

The consultancy was undertaken over a 12-week period in mid-1994 and the major conclusions of the consultants was that the Act should be proclaimed as quickly as possible, and we are doing that now. We wanted to take into consideration the amendments recommended by the consultants, especially those which were required to make the legislation GATT consistent. The consultants also recommended the early setting up of the Anti-dumping Unit which we have now done.

In recommending this legislation to the House, I make the point that that is another pillar in the edifice that we are creating in Trinidad and Tobago as we move from one economic environment to another and, step by step, we are putting the things which are necessary in place. The negative list was removed, but we

had the safeguard mechanisms doing what is required, given the environment in which we were operating. If we were operating in a different environment, different sets of conditions would be required. If this is the environment in which we decide we want to operate, then we have to put the pieces into the jigsaw to make it happen.

I commend this legislation to the House. Mr. Deputy Speaker, I beg to move.

*Question proposed.*

**2.40 p.m.**

**Miss Indera Sagewan** (*Caroni East*): Mr. Deputy Speaker, this legislation before us this afternoon is very long overdue. As you will appreciate, Sir, when a country engages in a policy framework that is along the lines of liberalization and free trade, it is an environment which calls for legislation such as this as a prerequisite. The Anti-dumping and Countervailing Duties Act, 1992 should have been a prerequisite to the liberalization process in which this country has been engaging for over four years.

**Mr. Valley:** The period 1992 to now is three years.

**Miss I. Sagewan:** But we have been involved in liberalization for a bit longer than that. I am not surprised that it takes us from 1992-1995 to bring amendments and the necessary regulations to functionalize an Act that was brought to this House in 1992. Members on the other side, clearly, cannot answer within months simple questions which are posed by Members on this side, so how, then, can we expect that they would treat with mechanisms as important as the one before us in less time than it has taken so far? That is a sad thing.

Another interesting aside though, is that, maybe, their continued action is a clear indication that we on this side should really be over there, because, you see, in most instances, we are given, if we are lucky, one week's notice of very important legislation which has to be debated in the House. In many instances we are given even one day's notice of such debate.

**Mr. Valley:** Mr. Deputy Speaker, honestly, I have to object. The Order Paper lists them for quite some time. It is merely a courtesy that the Leader of the House mentions the matter which is to be dealt with on the next occasion, but one expects that a Member would come prepared to deal with any matter on the agenda. That is the agenda. [*Interruption*]

**Miss I. Sagewan:** Mr. Deputy Speaker, I am a young Member of this House, and I am very disappointed that the Member for Diego Martin Central would say

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that that is a courtesy. The matters that we debate in this House are too important, too significant in so far as they affect the lives of all the people of this country; and therefore the Member for Diego Martin Central disappoints me when he says that giving us notice is a mere courtesy.

**Mr. Palackdharrysingh:** Imagine that!

**Miss I. Sagewan:** He disappoints me very much, Mr. Deputy Speaker, but let us look at—

**Mr. Sudama:** They have questions pending for months and they cannot come and answer them here.

**Miss I. Sagewan:** We have amendments to an Act that was brought in 1992. This is 1995. In three years' time they are amending this Act. Is it that the framers three years ago were not au courant with the kind of factors surrounding anti-dumping that they could not have produced a piece of legislation that would not have needed amendment in three years' time?

**Dr. Rowley:** That was not concluded yet.

**Miss I. Sagewan:** Clearly, they are saying that all the amendments, as presented, are simply to bring this piece of legislation in line with that requirement, but that worries me. They are amending this piece of legislation simply because it is a requirement of GATT, not because this country has engaged in a policy of trade liberalization, opening up its domestic productive sectors to imported goods and services; and it is not of greater importance to put the necessary protection as is provided by anti-dumping legislation. I quote from *The Economist*, December 24, 1994-January 6, 1995, a most recent document. It states:

"From the beginning of 1995 the GATT's successor, the World Trade Organization (WTO),..."

will replace GATT in treating with international trade disputes. In this article there is a concern "that the WTO's anti-dumping provisions will prove fatally weak." There is a concern in *The Economist*, a reputable journal, "that the WTO's anti-dumping provisions will prove fatally weak." Is that what we have done? Amended the 1992 legislation in keeping with GATT? But now there is an international worry that the provisions may prove fatally weak; and therefore bring about the demise of our domestic productive sector. This has to concern us, Mr. Deputy Speaker.

What is of greater concern, though, is that those on the other side recognized very "early o'clock" that anti-dumping legislation—measures to protect our domestic productive sector—was very critical in an environment of free trade.

I will quote the Member for Diego Martin Central in an article dated May 18, 1995 when he said that Trinidad and Tobago manufacturers enjoy very little protection from goods entering this country from the United States. So this was recognized. [Interruption] Sorry, it was the *Newsday* dated May 18, 1995 where he notes that:

"Trinidad and Tobago manufacturers enjoy very little protection from goods entering this country from the United States..."

**Dr. Rowley:** Because it competes.

**Miss Nicholson:** You could ever compete? Compete with whom?

**Miss I. Sagewan:** Mr. Deputy Speaker, I have a copy of—I think I have misplaced my—[Pause]

**Mr. Valley:** You are not organized. That was always your problem.

**Miss I. Sagewan:** Mr. Deputy Speaker, I have another quotation that comes from the Member for San Fernando East—

**Dr. Rowley:** Look in the drawer.

**Miss I. Sagewan:** In a presentation of the Member for San Fernando East, as recorded in *Hansard* he recognized very "early," — he was then a Member of the Opposition—that a critical piece of legislation that was needed in this country was anti-dumping legislation. Mr. Deputy Speaker, I thought that I could [Document handed] Thank you—I have found it, Mr. Deputy Speaker. Let me quote:

"To crown it all, as the *piece de resistance*, Mr. Speaker, they bring the structural adjustment loan which requires that they scrap the negative list and remove the last bit of protection for our local manufacturers. All of this madness in the interests of some mythical entity called Free Trade."

I guess they will argue now it is no longer called free trade; it is called liberalization. But then a rose by any name is still a rose.

**2.50 p.m.**

I continue to quote:

"Free Trade! Something that does not exist anywhere in the world, and they want to perfect it here. In today's dog-eat-dog world, free trade is a myth and

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effectively means access by others to your markets while your products are blocked from entering theirs. There is no such thing as free trade..."

If you listen to the content of what I am quoting—it says that free trade is a myth. So a myth today becomes a reality tomorrow? They must definitely use a different dictionary from the one I am used to.

It goes on to say:

"In order to protect our local manufacturers, therefore, the PNM insists that the Government move speedily to put the following measures in place:

(i) Stringent anti-dumping legislation..."

This was January 2, 1990. They recognized this. In 1992 the Act was passed, but no regulations were put in place in order to functionalize the piece of legislation, so it was actually of no use. It took us three years later for regulations to come to this House to make the anti-dumping legislation functional. That has to be a cause for concern to us, because in the mean time our domestic producers have been left vulnerable in an environment where we have moved away from quantitative restrictions to one of tariffication. They have been left vulnerable to the goods and services imported from the outside world.

That is the reality of the day. So it is not that it was not recognized by those on the other side that this piece of legislation was important. But why did it take so long to be brought and to be made functional? But then that is the usual speed with which things are done by those on the other side. We now know liberalization/free trade is a myth no longer.

The Member for Diego Martin Central spent much time telling us about things that are being done. We had a consultancy on a competition policy, hopefully, that will come at some time. They have been looking at the Bureau of Standards, etc. But let us look at the Anti-dumping legislation before us. This legislation has to be functionalized by an authority, and I need to ask a question: Is it an authority or a Unit? Is there a difference? Because the Bill speaks about an Authority, but the Member for Diego Martin Central spoke about the setting up of a Unit within the Ministry of Trade and Industry.

**Hon. Member:** The unit is the Authority.

**Miss I. Sagewan:** I see. Well maybe there is a difference so I am asking the question, if there is.

The Bill states that an Anti-dumping Authority will be set up, and I quote clause 16(1):

"The Minister may designate the Permanent Secretary in his Ministry or such other person as he thinks fit, to be the Anti-Dumping Authority for the purposes of this Act."

One person is the Authority to make decisions—and the Member for Diego Martin Central said it—determining that dumping has taken place in a country is a very, very complex matter.

We on this side would like to know what kind of teeth this Authority, or Unit, will have—whether it is with a capital "A" or a common "a" or a capital "U" or otherwise—in terms of actually implementing this legislation.

We have been informed that officers have just returned from training. How long were they trained for, one month, two months, three months? Did they undergo sufficient training to have the technical capability to determine that a case of dumping is real? These are the concerns that we have.

More than that, the Bill speaks of an Authority that is designated by the Minister. He may designate his Permanent Secretary or whomsoever he pleases. We on this side are saying that that is not sufficient. When one looks at the complexity of dumping in a country, to have one person or three persons designated the Authority to determine that dumping has taken place, is insufficient.

We are suggesting that that Authority should comprise members of other organizations. For example, it should have a member from the Bureau of Standards; it should have representation from the Manufacturers' Association, the Chamber of Commerce, the Food and Drugs Unit, from Labour. All of these organizations mentioned are very critical and are units that are affected and will be in a better position, together with those designated by the Minister, to determine that dumping has actually taken place.

The Minister said dumping is not simply goods being sold in an economy at a price lower than obtains in the home market. It has to be that the goods are sold at a price in "X" market that is lower than the price it is sold for in the market from which it originates, and additionally, it must cause material injury to the producers in the economy to which it is being exported.

These are very complicated things to decide. In fact, my research has shown that determining that dumping has taken place takes a lot of time and it is very

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difficult to ascertain. For example, Korea may be producing television sets and selling them to, say, Trinidad and Tobago at US \$100 per television set. Now to determine whether those television sets are being dumped in this country we have to establish that they are being sold in the producing country—and have to be the same product as well—in "X" market from "Y" market, and must be sold in "Y" market at a similar price.

**3.00 p.m.**

How do we ascertain that a television set coming from Korea to US has been dumped in our market, when a television set in Korea is being sold for US \$200? It is a television set, Korea would argue with us—and there are many loopholes in getting out of an argument over dumping. *[Interruption]* Precisely, it is a very technical matter that is why Trinidad and Tobago, as a country now getting into this and now setting up such an Authority, has to make sure it does so properly.

We have to make sure that we have the necessary technical skills to properly ascertain, because the cost to us is significant. Trinidad and Tobago is not the United States of America where most of the firms enjoy the benefit of being large-sized producers.

**Mr. Manning:** Mr. Deputy Speaker, I thank the hon. Member for Caroni East for giving way. Is the hon. Member saying that she disagrees with the legislation before the House? Could she be kind enough to clarify this?

**Miss I. Sagewan:** Mr. Deputy Speaker, *[Interruption]* Precisely.

As I was saying, Sir, Korea would have to prove, for example, that the television set it sells to Trinidad and Tobago is different from the one it sells in Korea, and it can very well do that. Korea would argue with us that the number of features in that television set is different from the one it is selling to Trinidad and Tobago.

It would go about removing all those things and, at the end of the day, would say, "This television set, stripped of all its accessories is the set being sold to Trinidad and Tobago; therefore, the cost is US \$100, so Korea is not dumping". There are many ways one can get away. There is the issue of indirect subsidies that many manufacturing industries enjoy in other countries. How are we to determine that those subsidies exist? I am saying that our Anti-dumping Authority must have the technical capability and teeth to clearly ascertain that dumping—

**Mr. Valley:** Mr. Deputy Speaker, I wonder whether the hon. Member would just assist by informing me how these people would get the technical knowledge. How do we give them that technical knowledge?

**Miss I. Sagewan:** Mr. Deputy Speaker, the Member for Diego Martin Central is asking me how he should do his job. Maybe, we should switch seats and then I could tell him.

We are saying that if the homework on the amendments that are before this House was properly done, we would have had an amendment that would have told us about an Authority that would be better equipped to deal with the problems, that are real, with respect to dumping in our country.

The Member asked why I am concerned. My concern, really, is with the implementation. Most of the time our concerns are with implementation. We can legislate now until doomsday, but unless the legislation is implemented, or has the capacity to be implemented, then it would be of no use.

The Member asked why I am so concerned about this Authority. The question I ask is whether our domestic industries have the capability, currently, to provide all this information to this Authority. Therefore, it further supports my argument that if this Authority is not really weighty, it is going to run into some serious problems.

I would quote from the regulations to show the information that a complainant must provide to this Authority before it makes a decision that dumping has taken place.

"2(1) A complainant under section 18 of the Act shall contain the following information:"

- "(a) the name and address of the complainant;
- (b) the industry on whose behalf the complaint is filed and a letter from each producer supporting the complaint, indicating his consent to being represented by the complainant;
- (c) a list of all known producers in Trinidad and Tobago of the like product;
- (d) where known, the volume and value of production of each of the producers listed under paragraph (c);
- (e) a complete description of the allegedly dumped or subsidized product;
- (f) the names of the country or countries of origin, and where different, of the countries of export;

- (g) a list of all known producers in the country of origin;
- (h) a list of all known exporters in the country of origin, and where the goods are exported from a country other than the country of origin, a list of all exporters in the country of export;
- (i) a list of all known importers in Trinidad and Tobago of the product in question;
- (j) evidence of dumping or subsidization as the case may be during at least six months prior to the making of the complaint;
- (k) evidence of actionable injury having regard to the factors enumerated in regulation 4 and evidence that such actionable injury is the result of the allegedly dumped or subsidized imports."

If any of this information when provided to the Authority is absent, the Authority would then inform the complainant that this additional information is to be provided. It is not until all of this information is provided that the Authority would then make a decision as to whether it should investigate a case of dumping.

Firms in Trinidad and Tobago say they might as well fold up and go into something else, because of the length of time it would take them to start to assemble all of this information. Besides, the countries that have been using anti-dumping laws, since the early 1970s, are countries such as the United States, Europe and Australia. They are the ones who know best how to identify dumping as well as how best to dump. They are whom we have to deal with.

In addition, their manufacturers by and large enjoy the benefits of large scale production, of multiple markets in multiple countries. If they cannot enjoy the benefit of selling to Trinidad and Tobago, they would sell to somewhere else. Given their smallness in size, the newness to the openness of the market, and having to compete in the international environment, can our manufacturers last the time that it would take to ascertain whether dumping has actually taken place? By the time they gather this information, they would be out of business.

That brings me to another concern that the least time an investigation should take is six months, There should be a minimum of six months which further emphasizes the point as to whether our local manufacturers [*Interruption*] The Member for Diego Martin Central seems confused; maybe, he should read the legislation.

**Mr. Valley:** Mr. Deputy Speaker, could the hon. Member direct me to the section of the legislation which says that an investigation must take at least six months?

**Miss I. Sagewan:** Mr. Deputy Speaker, at this point I cannot, but it is in there. The Member could take the time to read it.

**3.10 p.m.**

**Mr. Valley:** Mr. Deputy Speaker, for the information of the hon. Member, the legislation provides that the investigator would look back six months, not that the investigation must take six months.

**Miss I. Sagewan:** Mr. Deputy Speaker, that is a long time for a country such as Trinidad and Tobago.

I have also looked at cases of dumping in other countries, and what one sees there is a one-year period over which to investigate, and a decision is made within three months.

I continue to ask the question: Can our domestic firms survive three months of dumped goods being sold on our market at prices at which they cannot compete? They will not be selling; they will be left with their products on their hands. Will they be able to survive even three months? These are the concerns we have. There is also the concern of teething problems which, obviously, will accompany the setting up of this new organization.

In 1992 the Act was passed. Three years later the legislation comes with the regulations, and we are now setting up the unit. We have only now trained our officers. Really, the first set of cases will be guinea pig cases. What length of time has the hon. Member given this Authority to set its house in proper functioning order? None! Are we, from day one, going to be able to effectively execute the functions as laid out? I am saying that it is hardly likely, and there will be teething problems involved in this process, therefore, our manufacturers continue to operate in an environment that is highly liberal, that is highly open, and one in which there is little or no protection in many instances.

This legislation is, by and large, a welcome one—it has to be—because we are operating in such a liberalized environment, and the liberalization has come at such a speed. If we want to ensure that our productive sector continues, there is a great need for anti-dumping legislation to be implemented in a functional way that it meets the needs of our producers. I have made the point, and I wish to reiterate, that establishing a case of anti-dumping is extremely complex.

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The amount of information that an industry is required to make available to the Authority in order to establish that a case of dumping took place, is the first stumbling block that I can see will occur, because it is voluminous. It requires so much information and our manufacturing companies, if they do at all, allocate very little resources to research and development. They will now have to engage in investment activity in order to prepare themselves with the kind of equipment and the kind of technology to allow them to generate the information that is required to make available to this Anti-dumping Authority in order for a case to be investigated.

Furthermore, determining that dumping has taken place is very difficult. Determining there are no indirect subsidies coming with the goods is very difficult.

Also, determining that the price that is charged in the export market is dissimilar to the price in the home market will prove very difficult. The company might say it is producing simply for the export market; it is not producing the item its home market. How does one then determine a case of dumping? The company would claim that the product is not the same and would be able to show how it is not the same.

Thirdly, it would be producing on such a scale of operation as to justify that the price in your market is a real price and not a dumped price. We must be concerned about all these things.

We are following international norms, but these norms are set by highly industrialized countries which have a particular characteristic that is very different from ours. They have been the major movers when it comes to enacting anti-dumping legislation because they are the greatest villains in the scheme of things. They are the ones who would be seeking to dump goods on our market. That is why the most significant factor is the way that this is implemented, the strength and power of this Authority.

Let us talk about pharmaceuticals, for example. Countries such as Trinidad and Tobago, many developing countries, are faced with pharmaceuticals being dumped on us which do not meet the standards in industrialized countries. We buy them because they are cheap, not because they are good.

We have our anti-dumping legislation and our regulations but the real challenge is in implementation in such a way as to make it real, to provide an environment of liberalization, to provide real protection to our local producers so that they do not have to fear the competition from goods dumped on our market

under false pretences. Unless this Authority has that kind of power, that kind of technical capability, that kind of support from all those parties that are involved, it would simply be another white elephant that we would be setting up. And I trust that would not be the case.

Mr. Deputy Speaker, I thank you.

**Mr. Krish Jurai** (*Nariva*): Mr. Deputy Speaker, when this Government came into office it immediately embarked on a policy of dismantling the economy and liberalizing trade. It was done with such haste that it sent severe shivers through the spine of virtually every manufacturer in this country—dismantling the economy and liberalizing trade virtually overnight at the peril of local manufacturers.

**3.20 p.m.**

How many manufacturers went under during this period is hard to tell because the present statistics do not reflect these figures, but I am sure many firms went under. If the trend continues, if this piece of legislation does not have effective teeth, I am sure that many other firms will go down as well.

Manufacturers who were grappling to survive from the wrath unleashed by trade liberalization saw a glimmer of hope in 1992 when the Anti-dumping and Countervailing Duties Act was passed in this House. I would like to read from a statement made by a former Minister of Trade and Industry when the Bill was presented in 1992 in this House:

"When the 1992 Bill was presented in the other place, the Minister of Trade, Industry and Tourism...indicated that one of the primary considerations for introducing Anti-dumping legislation ahead of Unfair Trade Practices laws, and rather than an omnibus legislation incorporating both, was in the interest of time. The 1992 law was viewed as one of the 'safeguard mechanisms' (in addition to an import surcharge regime) to be introduced prior to the dismantling of the negative list. It is now history that the negative list is virtually dismantled and tariffs lowered while the Anti-dumping legislation is still-born."

I also want to quote, very briefly, from the *Express* of October 12, 1994, what the present Minister of Trade and Industry said in his address to Southex '94 in San Fernando:

"THE MINISTRY of Industry and Trade will be establishing an Anti-Dumping Unit early in 1995 to protect the manufacturing sector from unfair trade practices, Trade Minister Kenneth Valley said yesterday.

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Valley was speaking at the formal opening of Southex '94, hosted by the Gulf City Shopping Complex at La Romaine. ...

...Valley said the Anti-Dumping Unit would also protect the manufacturing sector from competition from imported goods sold at below true market prices."

I would also like to quote from page 32 of the 1993 Budget Speech made in this House by the Minister of Finance:

"The Anti-dumping and Countervailing Duties Act has been passed and the regulations will soon be promulgated. This will provide for protection against foreign producers who may seek to take unfair advantage of our market. The Government will enforce resolutely the provisions of the Act and the regulations."

The question I ask is: How can the Government enforce resolutely the provisions of the Act and regulations when they have not yet come into effect?

Today at the tail-end of 1995 we are here to amend an Act which has not yet got off the ground. Even though we are amending the piece of legislation today, several further amendments would take place as surely as night follows day.

In this respect, I wish to refer to the Minister of Trade and Industry in his presentation of this Bill in the other place.

"The Government employed a firm of consultants and they have now given their opinion. Perhaps I should go directly to the recommendations of the consultants, of which the most significant is their recommendation that the legislation should be brought into force immediately."

This was in nineteen—

**Mr. Valley:** What year was that?

**Mr. K. Jurai:** I will come to that.

**Mr. Valley:** Mr. Deputy Speaker, Mr. Deputy Speaker—

**Mr. K. Jurai:** I continue to quote:

"The consultants after looking at the Act of 1992 felt that this type of legislation both theoretically and in practice had to grow, so that the Government should not waste any time in putting the legislation in force, even though there might be need to amend the legislation thereafter. They quoted situations throughout the world, specifically the legislation with respect to the

European Community where they stated that legislation had to be amended on a number of occasions as the need required."

Why was the legislation not implemented long ago, as far back as 1992 when that statement was made. This was on July, 18 1995.

My question, therefore, is to ask the Minister of Trade and Industry why we had to wait so long for the introduction of this piece of legislation, when we knew that it would have to be amended from time to time.

The consultants also recommended the setting up of an Anti-dumping Unit in the Ministry of Trade and Industry. Today we are told that three officers have completed their training and very soon they would be setting up this unit in the Ministry of Trade and Industry.

If we are dealing with a piece of legislation that affects manufacturers, consumers, importers and so on, why was this committee not expanded to include manufacturers' representatives, members of the Chamber of Industry and Commerce, members of the Customs Brokers Association, including public servants and people who are concerned with consumer problems? I think we need to broaden this to include these people, so that they would have a clearer configuration of what is taking place and, as a result, implement decisions accordingly.

We know, as the Minister has said, that this unit is going to be established. But we all know the pace at which this Government operates, and I would not hesitate to add, perhaps a little faster than snail's pace.

I wish to remind this Government that it had introduced a five per cent duty on raw materials for manufacturing purposes. The Government agreed to give a rebate to manufacturers on goods exported. Today, some two or three years later, I would like to know how much has been repaid by way of rebate to manufacturers who exported such goods. As far as I am aware, no one has received such payment. I have looked at the statistics and have not seen anything published.

### **3.30 p.m.**

Similarly, in July 1995, the Prime Minister of Trinidad and Tobago announced that the five per cent import duty on raw materials for manufacturing purposes would be abolished by August 1, 1995. I wish to remind Members that to date this is not so, because the duty has to be paid before goods are cleared from the Customs. I am told that the money is being placed into a special fund

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and we will be reimbursed when the legality has been complied with, but certainly, this is a cost at present to manufacturers.

What manufacturers in this country need is not words but action so that they may produce at as cheap a rate as possible both for the domestic market and for export. So promises without action mean very little, or nothing at all to manufacturers.

As we look deeper into this piece of legislation before us, we see that what is also urgently needed to protect manufacturers is the unfair trade practices legislation. This piece of legislation was promised way back in 1992. The then Minister of Trade and Industry promised, and I quote from *Hansard* of August 11, 1992:

"In particular, my Government plans to bring soon to Parliament, an Unfair Trade Practices Bill in which a number of other unfair trade practices not yet addressed will be included."

That was way back in 1992. Today, some three years later, I ask, where is the unfair trade practices legislation? We are informed that one of the commonest unfair trade practices is under-invoicing; that it is one of the biggest scourges facing Trinidad and Tobago. As a matter of fact, we are reminded that as many as seven out of 10 invoices appear to be understated. I expect that the Revenue Protection Agency and the Customs Stripping Station will eliminate this somewhat. But these, sad to say, have become a severe headache to manufacturers. Firstly, additional delays in the processing of documents are caused.

Secondly, costs to manufacturers are increased. Examination fees have to be paid for stripping these containers and I have the cost here: \$375 for stripping a 20-foot container, \$525 for stripping a 40-foot container. So this is definitely going to increase the cost to manufacturers.

Thirdly, unstuffing and restuffing of containers cause longer delays to manufacturers in receiving their raw materials on time. Furthermore, unstuffing and restuffing of containers lead to severe loss through damage. It is the general belief that insurance will pay for any damage therefore, very little care is taken in the unstuffing and restuffing of containers. Damage to machinery and raw materials causes further delays in the manufacturing operation and these delays lead to higher costs in the manufacturing sector.

I have no doubt that this piece of legislation before us today, critical as it is, will finally find its way onto the statute book. This piece of legislation is long

overdue, and what we are concerned with is its implementation. This is certainly going to be a very intricate piece of legislation to put into effect to give protection to manufacturers.

As my colleague the Member for Caroni East said, it would be difficult to go through the intricacies to prove that dumping of goods is taking place.

Secondly, the huge time lapse between initiating action and the final outcome of the exercise—and we must not forget the huge costs that would be involved in these exercises. So that by the time these two Acts become effective, the exercise itself may not be worth the headache.

In order that this country may survive and forge ahead in the fierce competitive world, the manufacturing sector has to continue to be the lifeblood. We must, therefore, not allow this lackadaisical Government's leukemia to strangle this process.

**Mr. Trevor Sudama** (*Oropouche*): Mr. Deputy Speaker, the first thing I want to do is to put this legislation in some sort of context. This Bill seeks to amend the 1992 Anti-dumping and Countervailing Duties Act. How did that Act come about, and what was it designed to deal with, and in what context? One does not bring legislation out of the blue; it is brought in a certain context.

That legislation was brought in the whole context of trade liberalization, the elimination of tariffs and quotas which, we were told, was such a godsend to this country that we had to open up the protected markets, we had to have the free interplay of market forces when it was decided what would be produced and what would not be produced and would decide the nature of the economy, etc.

Subsidies of all kinds had to be eliminated and as a result of all this, one's comparative advantage would be maximized, and in all this scenario, the Government would act as a facilitator and it would have very little to do except, of course, to contain social instability. That would be its main function after this whole new regime comes into being.

Of course, the goodly Prime Minister went to Laventille to talk precisely about the subject of social instability and, somehow or the other, he managed to get \$5 million to spend on various things in Laventille. I have no problem with that, but what I have a problem with is that he went there to spend \$5 million on the pretext that he is trying to avert social instability.

It is a contempt for the people of Laventille that a Prime Minister goes there and tells them they do not deserve anything as of right, as a people, as citizens of

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Trinidad and Tobago, but because of a perceived threat to social instability they are going to get such-and-such to keep them quiet. What message does that send to the rest of the country? That unless you are willing to create social instability, you will get nothing. That is the message that is being sent.

As I said, the role of Government in Third World countries, in developing countries, really, is not confined to containing social instability. In the context where we are all gung-ho about freeing up international trade and international transactions, there is need to provide some rules for fairplay, and one set of those rules, of course, is the anti-dumping and countervailing duties provisions. That is being done to do what the Government fondly calls levelling the playing field—and we are talking in a global context—a favourite term of the Minister of Finance.

The Member for San Fernando East was bordering on the truth, when he was in Opposition. He said then that, there was no such thing as free trade, that it is a myth. But from the time the Member got into Government, suddenly he changed his whole perspective, and suddenly there was this great hope called trade liberalization and free trade which would lead us to the millennium.

**3.40 p.m.**

Mr. Deputy Speaker, I want to tell them on the other side that there is no such thing as a level playing field. That is a myth—just as free trade, according to the Prime Minister, was a myth in 1990. They would try from now until they are dead—until centuries go by—but they would never achieve a level playing field.

What is happening in the world of international trade and economic power is that there is a steep slope with a series of ledges, never a level playing field. If one gets on to one of the ledges, one may be able to compete, perhaps, on a generally level basis with those on that level, but if one remains down here, it is not a level playing field. It never was and it never will be.

No number of countervailing duty Acts or anti-dumping Acts would make any difference. As the Member for Caroni East has pointed out, given the intricacies of implementing this legislation, this is really paper protection. It has no basis in reality to give genuine and realistic protection to any domestic producer in a society with our levels of production. It is nice to have it. One of these "motherhood" things, you know, and be rhetorical about.

I am sure the Member for St. Ann's East, who is given to much rhetoric, in time will go out there on the rostrums and boast about anti-dumping—and also

the Member for Diego Martin Central. But what difference will it really make to the “price of cocoa” in Trinidad and Tobago?

Mr. Deputy Speaker, every day in the Parliament we are being told about how we must integrate into the global economy—there is trade liberalization; we cannot get away from it. There is globalization and if we do not do it, we would be left behind—peripheralized. I want to tell them, given the dynamics of global economic power, whether you get in or not, you will still be liberalized. It is just a matter of time.

When one looks at the disparity in economic, financial and technological power between the developed and the developing countries, as I said, one sees that there will always be an uneven playing field. Given the fragile economies of the vast majority of developing countries, their dependence on primary production; their technological inadequacies, the terms of unequal exchange based on the absence of economic bargaining power, they will always be put in a certain role in this global economic order.

We may argue that we cannot do anything about it, and to some extent that is true, but at the same time let us not delude ourselves by all this drum beating coming from the other side that it is the greatest thing to happen to Trinidad and Tobago. I will point out, in due course, how the economic direction in which we are going, in this global context will, to a large extent, be disastrous for the economy of Trinidad and Tobago. The other catch phrase is: if you do not get on now, like a train, you will be left forever—“last train to San Fernando.”

Coming back to this myth of free trade. If free trade is such a good thing, why is it only now being propagandized, publicized? Why was it not done a decade or two ago? Let me give a little history of how this dogma of free trade has come about. In the 1970s, you will recall, there was the oil price shock in the world. What happened then was that the developed countries had to fork out a lot of money to pay the OPEC countries. The balance of trade shifted, but those moneys did not remain in the OPEC countries—they were put in the banks and financial institutions of the Western countries.

Having been banked there—and those developing countries were undergoing severe stresses and strains in their economy as a result of the oil price shock—they had to lend somewhere. They chose the developing countries—a spate of lending for projects which were viable or non-viable. They lent to every manner of developing country. In the 1980s came the debt crisis. These developing countries could not repay. They were in serious financial balance of payments

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problems and then they were forced to beg for renegotiation of debt and go to the international monetary and financial institutions to get bailed out.

When they did that—you and I know who controls the international monetary institutions—the conditionalities of structural adjustment were imposed. It was, "Look here, we are willing to bail you out, but your economies are too protected. It is too much governmental interference; you have too many tariff barriers, and so forth." Therefore a critical element of this trade liberalization propaganda was to impose structural adjustment on economies of the developing Third World indebted countries.

Now there are big deals. I am telling you the bottom line is that they want to get access to Third World markets and Third World natural resources. They want to get access to these as they have got here in Trinidad and Tobago, by virtue of our giving away our natural resources under cost of production—whether it is natural gas, or whatever. That is the whole strategy behind this.

I am arguing that there is this power play at the national level. Do not let the Ministers on the other side "mamaguy" this House and this country that this is all a glorious new day; it is not! The genesis of it is that investors, lenders, producers in the First World want to get as much of the world pie as possible and then you are being pulled in and integrated in a manner for which we are not prepared. It will create further disparities; further inequities and further pauperization in the whole global system of which Third World and developing countries will bear the brunt.

**3.50 p.m.**

So that the greater freedom of manufacturers in developed countries to enter Third World markets will have only one consequence—to undermine local manufacturing production, local agricultural production and force these countries to rely more and more on the sale of their natural resources in an unprocessed form in order to buy the necessary goods.

So we shall end up doing—it is already happening; and it is like a repeat of history. You know, in the old days of colonialism, what happened was that what we produced, we did not consume—we produced for export—and what we consumed, we did not produce here; we imported it from the metropolitan countries. But in those days you had the protection of a metropolitan country. Today we are going in the same direction, creating the same kind of economy without the protection of any metropole.

So we are open far more today to exploitation than we ever were under the colonial system, but it is the same kind of economy we are creating. For this trade liberalization rests on buying cheaper from whoever can produce it cheaper with our existence, depending on whatever we can export—goods, services, tourism, whatever it is—but we do not produce what we really need for our own consumption. That has to be done on a global basis.

What, in fact, we will end up being—and possibly it cannot be helped once we are sucked into it—is hewers of wood and drawers of water. That is what is in store for us; that is what the horizon looks like.

When we look at the global scenario; when we look at the imperatives of GATT and so forth, and the imposition of the removal of tariffs, we are amazed that even an unrepentant apologist for the PNM, like Dr. Selwyn Ryan, has admitted that what we will end up with in about a year, a decade or in the next century, is gross instability in the developing countries once we get into this framework. Of course, he does not blame the PNM; he says that is a global phenomenon.

Let us look at the case of Trinidad and Tobago and let us see what are the prospects and then look at this Anti-dumping and Countervailing Duties Bill in that context. What are we protecting against? That is the question we have to ask. Because let us be very clear on what this Bill is about I am reading from the regulations before us, at page 10:

"Injuries caused by other factors, such as volume and prices of imports which are not dumped or subsidized, contraction in demand, or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign producers and the industry, developments in technology and the export performance and productivity of the industry, which, individually or in combination, also adversely affect the domestic industry shall not be attributed to the dumped or subsidized imports."

This is the gist of the undercutting of local manufacture and agriculture—this is it here. Dumping and subsidizing are merely subsidiary and secondary elements—not covered. Of course, this is excluded from the purview of the Bill, so, we will face competition on the basis of technological improvement, productivity improvement in the countries from which we import.

Where is the manufacturing industry headed? I hear from time to time in this House how manufacturing is improving. If you look at the global picture, you will see there is an element of improvement. When you really look at what is

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happening in the composition of the manufacturing sector, you will see that all is not rosy.

I want to quote from the *Quarterly Economic Bulletin* of the Central Bank of Trinidad and Tobago of March, 1995. This is the last quarter that I have. It is said here that there was some improvement in the index of domestic production in the manufacturing sector, and so on, and it goes on, at page 4:

"However, the increase in output of manufactured goods during the year was heavily concentrated..."

It is not an across the board improvement. It was heavily concentrated—

"in the Assembly-type and Related Industries. Output in this sub-sector grew by 27.8 per cent, largely reflecting an increase in output of metal, building materials, given the rise in construction activity."

How long will this construction activity go on so that it would sustain that increase in this particular subsection of the manufacturing sector? It goes on.

"Declines in production were recorded in wood and related products (-29.3 per cent), Printing and Publishing (-9.9 per cent), Food Processing (-2.2 per cent) and in the Textile, Garments and Footwear industries (-13.4 per cent)."

So that even if there is some improvement in certain sections—

**Hon. Member:** Growth without jobs; jobless growth.

**Mr. T. Sudama:** This is where the jobs are created. So that what we are having is, of course, a negative impact on the manufacturing sector. We have headlines from time to time in the press. In the *Express* of September 27, 1993 the headline states: "Small Firms Feeling the Pinch."

It states:

"The failing companies, primarily small manufacturers of plastics, building materials and electrical equipment..."

This is where it is. Then we look at another headline appearing in the *Guardian* of February 3, 1995: "Manufacturers cut back; Trade liberalisation forces reduction in products."

They are saying that they are going to cut back their range of goods by 15 per cent and "they are considering the future of 50 per cent of their remaining product lines," and the likely cuts will come in certain assembly-type industries, the textile industries, food, health care and cosmetic categories.

So this is happening—and this is where the Anti-dumping Bill cannot assist us, but I will come to that later. Associated importation, and so on are not covered under a company in Trinidad and Tobago that is associated with another company in the United States. Imports to this country will not be considered as part of the industry for the purposes of anti-dumping and countervailing.

**4.00 p.m.**

The multinationals within the structure of the organizations are producing in large enough quantities to supply either some of the outlets in the region or the market as a whole. It is the multinationals based here that are, in fact, surviving in this context. Our local manufacturers are facing the time of their lives in all these industries. That is what is happening in the manufacturing sector.

What is happening in the agricultural sector? I am not saying for one moment that one ought not to have a situation where one tries to induce efficiency in the various subsectors of agriculture and so forth, but over the years, much investment has gone. Much manpower resources, capital investment and infrastructure are employed in these industries which catered for producing for the domestic market and possibly for some export. So, there is the production of vegetables, fruit, poultry, pork and so forth, which reached proportions where they could have satisfied the market.

Now, cost structure is something that cannot be dealt with overnight. Cost structures are related to the particular economy in which one operates and are a given. If one changes the rules overnight, and one wants cost structures to relate to international standards, it just cannot be done overnight, or even within the breathing period that the Government says it has offered. It just cannot be done.

With the liberalization, one could certainly ensure that all these sectors of agricultural production would go through and produce the very minimal. In the case of sugar, it is only a matter of time. Once the preferential agreements come to an end, that would be the end of the sugar industry in Trinidad and Tobago and the opportunities for employment. Rice has already gone through; coffee, cocoa and copra—I have something here on copra. Copra has gone through.

I have a report here from a study done by the Inter-American Development Bank and the Ministry of Agriculture, Land and Marine Resources done by Frank B. Merry, who made it very clear that—

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"If Government removes the present subsidy on copra production as part of its trade reform policy, the coconut industry would collapse with negative social implications for people living in the Cedros-Icacos and Nariva-Mayaro areas."

The study suggested that—

"...prior to any move to discontinue subsidy there should be considerable study of alternative employment options for the people of Cedros-Icacos, Nariva-Mayaro."

There has been no concern by this Government for any alternative option.

**Dr. Rowley:** Mr. Deputy Speaker, could the hon. Member, in fact, make any reference to any Government policy or position to discontinue subsidy to the coconut sector?

**Mr. T. Sudama:** Mr. Deputy Speaker, I was providing a scenario as to what is likely to happen. Given the trends in following the GATT provisions, this is likely to happen. This is a trend which we are facing. Even if for the moment there is a subsidy in place, that is not going to be sustained, given the pressures involved, for any particular length of time. I was talking about what vision there is for the country. What is going to happen with the economy of Trinidad and Tobago as we know it today in the next five years or the next decade?

These are our basic natural resources. From what I understand, if one cannot have comparative advantage based on one's own resources, where would one get comparative advantage from, except it is a country like Japan where its real comparative advantage is in its technology and manpower resources? But we are moons away from Japan to secure comparative advantage in that way. Comparative advantage for us must rest on the resources we have right here in Trinidad and Tobago.

If we open up the agricultural sector willy-nilly, and we do not put it on a proper and productive basis and make the right infrastructure decisions, like marketing decisions, and financial decisions, we would have no comparative industry. This is in the context where the United States has made it clear that it could provide food for all the developing countries, cheaper than the developing countries could provide it for themselves. Indeed, that would be the case for the European countries as well.

So, there is a large population in the developing countries, and one cannot utilize one's resources for agriculture. What are they going to do, as developing

countries as a whole? Trade liberalization means that one imports cheaper from the United States or Europe for one's basic sustenance.

In Trinidad and Tobago there may be an option for some people to line up by the wharf and sell a little trinket or to wine, jam and get something and wave for the benefit of the tourists. This is the vision the Government has. Is this the alternative employment opportunities that the Government is talking about?

I am painting a scenario which, in three, four or five years' time, would come to reality and by then, of course, this Government would no longer be there, so other people would have to face the jamming when the instability in this country starts.

Let us look at the poultry industry and see what is happening there and what would happen if the Government indiscriminately opens it to foreign competition—anti-dumping or no anti-dumping law. An article in the *Trinidad Guardian* dated October 25, 1995 states:

"The Trinidad and Tobago chicken industry saves the country almost US\$30 million yearly and employs some 8,000 persons directly, states a recently concluded Price Waterhouse report on the local business.

The country spends US\$14.32 million annually on the imported requirements of the trade, and this produces the 78 million pounds of chicken consumed by the public. At the same time, the report said if TT were to import the equivalent of consumed meat, the country would pay about US\$44 million.

'There would be no great benefit to the consumer to withdraw protection from the industry and open the market to imported chicken.' ...'the damage to the economy could be quite severe,'...

The National Flour Mills (NFM) sells approximately 18 percent of its annual turnover to feed mills for conversion into poultry feed,..."

So there is this situation where the poultry farmers are being accused of having an artificially high price for chicken.

Mr. Deputy Speaker, the Government is partially responsible for this. It charges a 30 per cent tax on hatching eggs, which all have to be imported from the United States of America.

**Dr. Rowley:** Mr. Deputy Speaker, for the benefit of those persons who might be misled, I want to put it on the record that Trinidad and Tobago does not import

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all its hatching eggs. In fact, only a very small proportion of hatching eggs is imported into this country.

**Mr. T. Sudama:** Mr. Deputy Speaker, where do the hatching eggs come from?

**Dr. Rowley:** Mr. Deputy Speaker, this country has an installed capacity to supply 100 per cent of the hatching egg requirements of this country. In that scenario, most of the eggs hatched in Trinidad and Tobago are laid by hens in Trinidad and Tobago.

**4.10 p.m.**

**Mr. T. Sudama:** Mr. Deputy Speaker, where did the hens come from? If one goes back in time, it is all imported. Everything that goes into the production is imported.

**Dr. Rowley:** Am I to understand that the Member is saying that a hen is an egg?

**Mr. T. Sudama:** The hens are all assembled from imports. You are saying to this House that the Government charges no tax on imported hatching eggs.

**Dr. Rowley:** I did not say that. Let me assist the Member again. The Member told the House that the Government charges 30 per cent tax on hatching eggs and the country imports all its hatching eggs

I am saying that of the hatching eggs used in this country only a very small amount is imported and on that very small percentage the duty applies. Most of eggs, hatched in this country are produced in this country by local hens.

**Mr. T. Sudama:** Mr. Deputy Speaker, my information is contradictory to the information that the Minister has. I will come back to that at a later point. It is not the first time the Minister misled this House and probably it will not be the last.

We are still dealing with what the economy of Trinidad and Tobago is going to look like, what the Government's options are in a situation of free trade, opening up the economy, a reduction or elimination of protection and so forth.

One would have thought that if one is going on this course, one would want to retain the manufacturing sector, one would want to have industries in this country, one would want to have a balanced economy. One would have thought that, perhaps, one would have an industrial policy.

One would also have a vision for Trinidad and Tobago, sectorally, as to what this economy would look like and what would be the place of industry in this economy and, as a Government, what can be done to induce the realization of such components of industry and the dynamic industrial sector and then provide the proper framework and the incentives.

We hear conflicting views on the other side. The Minister of Finance at times says that one cannot tell investors where to invest, but most times they are quoting what happens in Singapore, Hong Kong, Taiwan and Korea. These countries are their pattern.

Every time the Prime Minister goes overseas it is a different pattern. Do you remember that George Chambers, the former Prime Minister, visited Korea? I think the Minister of Finance accompanied him on that occasion. He visited the Far East. That time the Far East was the pattern. Today, it depends on where one goes.

The present Prime Minister visited Hong Kong, and that country has suddenly become the pattern. Singapore is no longer the pattern. The Government wants to tell this House that it is by accident that these countries have reached the level of industrialization they have; that they did not have a vision for what their economy would look like; they did not have state intervention; they did not offer the framework or the incentive. It was just by accident.

They say different things at different times. One Minister says there is no need for such a policy. You cannot tell investors where to invest. They would go where they feel they would make a return on investment regardless, and one has to just give away one's resources to them to do it.

Since 1993, a former Minister, one who was a beneficiary of the chosen French fries importation and the doing away with the Common External Tariff said in *Hansard* on December 2, 1993.

"From the longer-term perspective, Government has thought it necessary to develop an industrial policy which will guide our industrial development over the last years of this decade and which, in fact, would take us into the new century.

The policy will be comprehensive in nature, has already been drafted and has now been reviewed by a United Nations Industrial Development Organization Consultant, on the basis of which certain adjustments are being contemplated.

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The draft policy will be influenced by a range of inputs coming from various institutions and organizations and will shortly be considered by the committee which has been established by Cabinet to deal with matters relating to the non-oil sector. Government expects to have the policy document finalized by the end of this month or very early in the new year."

Therefore, for that purpose they have developed the Tourism and Industrial Development Corporation and all these other agencies, and to date I do not know what the output from them is.

Where is this industrial policy? Do we have it? We are now almost coming to the end of 1995. What is the vision for this country in industrial development and for the economy into the turn of the century? There is none. They are being impelled by foreign influences, foreign forces. Whatever they are told overseas on how they should develop this economy is what they follow and come and propagandize and preach as if that is the economic gospel.

All the agencies they have created—Export Trading Company. Can you tell us what this Export Trading Company has facilitated over the years? Export Credit Insurance Company to assist exporters in meeting the commercial, political or other risks. You want to export—export or die. What have they done? What is the transport programme and the transport facility for assisting exporters?

One has perishable vegetables on one's hands, and BWIA cannot give a time and a flight on which to put them and it has no freezing facilities—but the Government says it is assisting exporters. It does not have the basic infrastructure such as transport in order to do that. We are all for free trade, opening up the economy but there is no basic infrastructure to improve our exports, and we are being led to believe that these measures will, in fact, bring the millennium to Trinidad and Tobago.

I advise this country that all we are being led up is the garden path by this Government—false promises, false projections and false hopes. The chickens will be coming home to roost very soon.

**4.20 p.m.**

Having set the context into which this provision is supposed to apply, let me come to this Bill.

**Hon. Member:** He is now coming to the Bill?

**Mr. T. Sudama:** You cannot discuss things in a vacuum. If you do not set the parameters of the trade liberalization programmes that we are getting into, if

you cannot look at the prospects involved by opening up, liberalizing our economy, our trade and the effects all that would have on our agricultural and manufacturing sectors, then you are merely talking in a vacuum.

**Mr. Deputy Speaker:** The hon. Member's speaking time has expired.

*Motion made,* That the hon. Member's speaking time be extended by 30 minutes. [*Mr. R. Palackdharrysingh*].

*Question put and agreed to.*

**Mr. T. Sudama:** [*Noise*] Mr. Deputy Speaker as usual, the Minister wants to go home. The Speaker sent him home but he filed a motion to come back to this House.

Sir, I was amazed that the Minister—he wants to go home so badly—skirted the whole issue and he never dealt with the Bill before us. He spoke about ASYCUDA system, facilitation here and promotion there, but he never said a word about this Anti-dumping and Countervailing (Amdt.) Bill. Did the Minister, in fact, read the Bill? Does he understand the amendment to the original Bill, why those amendments were made and what are the consequences and implications of those amendments?

This Bill amends the definition of 'industry'—that is very important. Which industry will be affected by the dumping that is likely to take place? The Government has a whole bureaucracy from which to get information—facts and figures—but it comes here in such a slipshod manner to present Bills, and then complain that I take up too much time. The first thing the Minister should have explained is why the definition of "industry" has been changed. " 'Industry' in the original Act is defined as follows:

“ 'Industry,' in relation to any goods, means—

- (a) the Trinidad and Tobago producers of like goods;
- (b) such Trinidad and Tobago producers of like goods whose collective output constitutes a major proportion of the Trinidad and Tobago production of like goods;

but does not include the importers of those goods;”

But this Bill seeks to amend that; it deletes what is here and says:

“3(1) 'industry'...

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- (b) such Trinidad and Tobago producers of like goods whose collective output constitutes at least twenty-five per cent of the Trinidad and Tobago production of such like goods,"

The Minister is putting a definite quantum of production that has to be affected for a complaint to be made.

When one reads the exceptions further, one would want to know what effect this exception would have on this percentage that has been defined. Clause 3(a)(i)(a) says:

"where certain Trinidad and Tobago producers of like goods are associates of the exporters or importers or are themselves importers of the relevant goods, the Minister may make a determination that such producers shall not be taken into account in applying the foregoing definition";

Where are we with respect to the 25 per cent? But even worse—and this really needs some explanation for the benefit of Members of this House—this is an exception to the 25 per cent. This 25 per cent is a moving target; we want to get some kind of specificity with respect to the quantum of the industry that would be affected in order to trigger a complaint for anti-dumping purposes.

Clause 3(a)(i)(b) says:

"Trinidad and Tobago may, for the production in question, be divided into two competitive markets and all or almost all the producers within one such market regarded as the industry, if the producers within such market sell all or almost all their production of the goods in question in that market and the demand in that market is not to any substantial degree supplied by producers of the goods in question located elsewhere in Trinidad and Tobago";

So, this qualifies 25 per cent by creating two markets and you decide to take the demand in one market and ignore the other market. On what basis would you do this? What effect would it have on the definition of 'industry'? I should have thought that if the Minister was presenting a Bill here, he would clarify some of these points. As I said, he has a whole bureaucracy there to give assistance.

The Government has 10 Bills on this Order Paper and it has the gumption to come here with one day's notice and request that we debate any one of those 10 Bills. We have to be prepared to come to this House and debate any one of 10 Bills at a day's notice.

The Government has six months within which to answer questions and it cannot come up with answers, but it wants the Opposition, which has no

bureaucracy supporting it, to find information from whatever sources available to come here and debate a Bill with one day's notice. That is the oppressive nature of this parliamentary system that we operate in Trinidad and Tobago—which needs urgent reform—the oppressive nature of the position in which the Opposition finds itself by the will of the ruling party.

The Minister does not say anything about why the change in the definition, and what are the implications for this amendment with respect to industry; maybe he did not understand it himself. Instead of opening his mouth and pronouncing himself to be ignorant, he kept his mouth shut on this very critical issue of the definition.

There is another issue which the Minister did not explain to this House. This amendment makes a significant difference with respect to what happens to the claimant if there is material injury. The original Bill talks about material injury. If there is material injury there are factors to be taken into consideration. It says here:

“ ‘material injury’ ... means, in respect of the dumping or subsidizing of any goods, material injury to the production in Trinidad and Tobago of like goods, and includes, in respect only of the subsidizing of an agricultural product, an increase in the financial burden on the Government;”

Material injury could have been used as a ground, but that has been omitted. What one has to prove now, is actual actionable injury. Can the Minister tell this House what further things one has to do—quite apart from determining material injury—to determine and justify actual actionable injury?

What is the distinction? There must be a reason for this. *[Interruption]* The Minister could respond in his winding up; I am making my contribution now. Why did he not say these things in his presentation of the Bill? When an amendment to a Bill is proposed, there must be some reason for that amendment. What is the Minister's reason for bringing these amendments? We could have gone with the original Act.

**Miss Sagewan:** To meet GATT.

**Mr. T. Sudama:** To meet GATT. We had no representation at the GATT negotiations; the Minister would have to tell us what was the reasoning behind it.

**4.30 p.m.:** *Sitting suspended.*

**5.10 p.m.:** *Sitting resumed.*

**Mr. T. Sudama:** Thank you Mr. Deputy Speaker. When we took the tea break, I was on the point of seeking clarification. Since the definition of "industry" is being changed in the amendment, I would like to know what implications the exceptions at (a) and (b) of that definition would have for the percentage of the industry, which, if affected, would be the cause of complaint. It is not easy reading this section and trying to make sense of it, and we were told that in such a situation, there was a duty on the part of the Minister since he is so well-advised, to come here and explain. [*Interruption*] Oh yes! of course you do.

The other point, I was making before we took the break was that other things had to be done in determining material injury to determine actionable injury. That is a further step before there is a basis for laying the complaint, and not only must there be material injury, there must also be shown that the material injury is of such a nature that it could be actionable, actionable injury.

Now actionable injury is not in the original Bill which I have before me. What I am asking is since the concept of actionable injury—

**Mr. Valley:** Mr. Deputy Speaker, actionable injury as defined here, is a finding. One has to prove material injury, and, having proved that, then the finding is that it is actionable; that is the concept. There has been no basic change; it is merely that the wording is GATT consistent.

**Mr. T. Sudama:** Mr. Deputy Speaker, we come now to the question of subsidy, and I do not want my time to be cut into indirectly. The question I am asking here is, how would this affect our own industries in Trinidad and Tobago which are exporting? In clause 3 (c) there is a definition of subsidy and it states:

"(3) For the purposes of this Act, a subsidy shall be deemed to exist where a benefit is conferred through the making of a financial contribution by a Government or a public body or through the granting of any form of income or price support, and a government or public body makes a financial contribution where—"

And then it outlines the financial contributions which a Government or public body is deemed to make. It says here:

"(b) it foregoes or does not collect revenue which is otherwise due;"

But most critically:

"(c) "it provides goods or services other than general infrastructure, or purchases goods;"

"(d) it makes payments to a funding mechanism, or entrusts or directs a private body to do any of the things described in paragraphs (a), (b) and (c)".

If the Government makes available to an industry in Trinidad and Tobago a basic material less than the cost of production, at—as indeed it has made available to NUCOR—or if it makes available electricity to the industries at Point Lisas at less than the cost of production, or water for that matter, would that be construed as a subsidy going into the cost of production of any items which may be exported from Point Lisas?

Now, could that be the basis of an objection in a country which imports those goods produced at Point Lisas? I am trying to get an answer here to find out what subsidization may take place in a country from which we are importing, and whether such items will be taken into account and regarded as subsidization for the purposes of determining the proper price, or the normal value at which the item ought to be sold. So we are now at the receiving end; we were sort of at the giving end to countries to which we export.

You may recall that the United States had put a ban and then asked us to enter into a voluntary restraint agreement in the 1980s with respect to the export of our steel into their market because they contended that the inputs which went into the manufacture of steel in Trinidad and Tobago were subsidized and, therefore, constituted unfair competition and unfair trade practice on the part of steel exporters in this country.

And in respect of not only steel, but also other petrochemical products, the same thing could be argued. If that is the case, then other countries would have similar legislation, and where would that place us with respect to exporting to other countries? This is an issue I thought I would raise just for the purpose of clarification on how it would affect, and, indeed, how this Anti-dumping and Countervailing Duties Bill would affect the concessions which we give to companies established in the free trade zone area. For example, we will not be charging income tax; we will be giving concessions on income tax and other duties and, maybe, on the cost of infrastructure and so forth.

Will the products of free trade zones come within the purview of anti-dumping and countervailing duties legislation? I do not know; this is a large complex issue, subject to all sorts of agreements, and I will just—

**Mr. Valley:** To assist the Member, this is the agreement on subsidies and countervailing measures, GATT. In accordance with the provisions of Article 16 of GATT 1994—

“The exemption of an exported product from duties or taxes borne by the like product when destined for domestic consumption or the remission of such duties or taxes in amounts not in excess of those which have accrued, shall not be deemed to be a subsidy.”

**Mr. T. Sudama:** Mr. Deputy Speaker, you see what I mean by the Opposition is at a great disadvantage? If that document was in the Library, I could have looked at it.

**Mr. Valley:** It is a public document, Mr. Deputy Speaker.

**Mr. T. Sudama:** Mr. Deputy Speaker, many things are public documents which one cannot check or trace in one day, which is the time they have given us to prepare for this debate.

I have come to clause 4 and it is a little puzzling to me that if there are dumping activities taking place, subsidized exports and so forth, and it is shown that the dumped imports cause actionable injury—clause 4 of the amendment which amends section 5 of the Act says:

"(a) in subsection (1), by deleting from the words, "he may" to the end and substituting the words," and where such .....to do so. "

This is a critical amendment because apparently this was not there before.

"and where such dumped imports cause actionable injury, the Minister may, by Order, impose a duty to be known as anti-dumping duty,....."

So there is actionable injury. He has every right to impose an anti-dumping duty unless he considers that it would not be in the public interest to do so.

### **5.20 p.m.**

Now, I want to know: if this is a general agreement and all the countries are supposed to follow anti-dumping policies, under what circumstances would the Minister determine—after actionable injury has been proved—that it would not be in the public interest to impose? They want to make headway with the consumers. They are in an election year, Mr. Deputy Speaker.

Dumping has been proved; actionable injury has been proved, but the Minister determines, while all this has been proved, it is not in the public interest to impose anti-dumping duties—why? Will it be for political purposes? In what

circumstances? What do they have in mind? Even though all these things are proved, they will still not impose anti-dumping duties.

Is it that the Prime Minister made a big promise that prices are going to be reduced? They have not been reducing at all. But Members opposite are giving themselves the political option to allow dumped goods to come into this country if they feel it is in the public interest or their own political interest to do so, regardless of the damage to the industries concerned; and regardless of the other multilateral and global agreements they have made on unfair trade practices.

I find this provision a bit suspect. When is it going to be used and for what purposes is it going to be used? The Minister, as I said, after getting all the evidence—everything has been determined, and so forth—and he still decides, regardless of the dumping, that he is not going to impose any anti-dumping duty on it. Perhaps we should get some kind of clarification from the Minister.

The other issue I want to raise is the status of this Authority. Is this just a judicial body, or is it there also to protect the interests of the country? In other words, does this body merely listen to evidence provided before it; get the evidence from overseas, or wherever, from the complainant, and then make a judicial determination; or does it go on its own initiative to seek evidence to make a proper determination which one it may feel is in the best interests of the country.

Given the comprehensive list of information that the complainant has to make, it may be that the Authority should be acting, not only in a judicial capacity, but should also be in a position to access foreign expertise.

Now if the World Trade Organization, for example, is monitoring on a global basis what is going on with anti-dumping, subsidy on exports and so forth, then maybe it could have access to information there quickly. It could also employ, staff in the various foreign embassies to go out there, investigate and get information to make a determination which is in the best interests of the country.

In reading through this, I am not sure that there is any such obligation imposed on the Authority, or that it will act in that way; it may merely say, "Well, look we do not have the information; it is not our duty to go and get it, and therefore we have no case." But if instead it adopted a proactive approach, then it would, in fact, be assisting the jeopardized businesses.

The capacity for economic intelligence gathering: That point has already been made, and the point as to whether we could take quick enough action in determining dumping to save some of the threatened local industries. As I said, I

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have grave doubts on that and this is why I have come to the conclusion that we may need protection, but what is before us is really paper protection. This is a formality that we are trying to approve here, today, and I have no great faith that this will make any material difference in the protection of local industry.

The other point I wish to make is that clause 15, gives the opportunity in this legislation to have confusion within one industry, that is, to set up one sector of the industry against another sector. If I read this section correctly, on the basis of that, I want to ask why—

**Mr. Deputy Speaker:** You have five minutes.

**Mr. T. Sudama:** Thank you, Sir. Why has this been put in? It is a question of majority rule, again, majority opinion. But the question is, dumping may have taken place, regardless of who objects to it. Why would we not pursue a case of dumping? It says here that,

"an industry producing like goods, provided that the Authority shall not initiate an investigation where the members of such industry who support the complaint do not account for more production of the like goods in Trinidad and Tobago than do the members, if any, of such industry who signify to the Authority in writing their opposition to the complaint... "

Mr. Deputy Speaker, I thought that they would look at a complaint regardless of who opposes it or who does not, and if there is merit in the complaint, they act on it. But what this is doing is setting up internecine feuds within a local industry.

Now, let me go very quickly to find out from a legalistic standpoint what is the difference between "retroactive" and "retrospective". Is there a difference in law? Because when we look at page 31, sections 23 and 24—in section 23 (4) it states that—

"any Order which the Minister makes imposing anti-dumping duty on such goods shall have retrospective effect to the date of the initiation of the investigation".

Then we go to section 24:—

"...except that an anti-dumping duty shall not be imposed with retroactive effect prior to the date of initiation of the investigation."

My simple, humble layman's question is: What is the difference between "retroactive" and "retrospective"? Do they have two different meanings?

**5.30 p.m.**

I also have a query on the regulations. Let us look at the Anti-dumping and Countervailing Duties Regulations, page 2:

"Where the Authority receives a written complaint respecting the dumped or subsidized goods, the Authority shall within fifteen days after the receipt thereof—

- (a) where the complaint complies with section 18(2) of the Act, cause the complainant, and, in the case of subsidized goods, the government of the country of export, to be informed in writing that the complaint was received and that it so complies..."

Now I should also have thought that you would inform the erring party, that is, the exporter. Where subsidies are concerned, you inform the government of the country of export. But why not inform the exporter? I see no provision here that that exporter ought to be informed so he would know that, look, a complaint has been laid and therefore be able to respond appropriately to the Authority. I do not know if that is elsewhere in the regulations, but, as I say, I have not seen it.

What we have said originally on this Bill still stands, that given the global scenario, given the complexity of implementing this, given our lack of economic manpower resources, etc, given the time factor involved in arriving at a decision, and, indeed, in imposing an anti-dumping and countervailing duty, and so on, whether in the meantime the industries would not have gone through, and whether, in fact, this piece of legislation, apart from adorning the law books of Trinidad and Tobago, would have any material effect in preventing injury to domestic production in Trinidad and Tobago.

Thank you very much, Mr. Deputy Speaker.

**The Minister of Finance and Minister of Tourism (Hon. Wendell Mottley):** Mr. Deputy Speaker, I rise to quickly support my colleague Minister on this matter and to inform Parliament that this measure is placed within the context of other support measures; the Member for Diego Martin Central has pointed them out already, namely that there is staff that has been trained, and that these amendments come here in consequence of our international treaty obligations.

Not only has the staff been trained, but they are working in co-ordination with other agencies of Government, notably Customs, and the Customs Division has an agreement and a memorandum of understanding with the United States customs

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service which has been working extremely well, especially in the provision of information by the US customs service. Members will know that the United States is our largest trading partner and the quick information availability that is now the norm is assisting us especially in certain prosecutions for customs fraud, and some of this information will be more than useful in prosecuting anti-dumping matters.

I wanted to concentrate my few remarks on one area, that is, a number of Members on the other side, notably the Member for Oropouche; the Member for Nariva and the Member for Caroni East, stated that the anti-dumping measures arose out of haste in Government policy in implementing trade liberalization, and they painted a dire picture of the Government's policies in this area and predicted not only failure, but also doom.

They are refusing to understand, that though we did not have a choice, we seized opportunities and the economy is, in fact, performing much to our satisfaction. I want to put on record some statements of the latest *Quarterly Economic Bulletin*, which is June, 1995. Generally it says, page 1:

"During the second quarter of 1995 the Trinidad and Tobago economy turned in a very encouraging performance, as some degree of vigour was evident in nearly all areas of activity. The Central Bank's Index of Quarterly Real GDP grew by 1.6 per cent indicating that economic activity had expanded for the third consecutive quarter."

Getting three consecutive expansions in three consecutive quarters is the statistical and known economic definition of a strong upturn in the economy. It goes on to say—and I want to stress this because this is the area in which the manufacturing and agricultural sectors are exposed to foreign competition and the question of the anti-dumping measures avail:

"For the first time since the third quarter of 1994, the goods-producing sectors in the non-petroleum economy outperformed the service sectors. Agriculture expanded by 5.2 per cent largely because of improvements in domestic agriculture (especially broilers, fish and citrus). Following an increase of 1 per cent in the first quarter, manufacturing grew by 3 per cent due to enhanced production in the following sectors, food processing and drink (5.1 per cent), assembly type and related metals (8.4 per cent), chemicals and non-metallic minerals (2.3 per cent), wood and related products (10.3 per cent) and miscellaneous manufacturing (11.3 per cent)."

The other areas of the economy are performing extremely well. It continues at page 25, under "Current Account":

"During the first quarter of 1995 Trinidad and Tobago's net exports of goods and services reached a record \$197.5 million. This represented an increase of \$29.8 million over the previous quarter and a more than doubling of the current account surplus posted in the year-earlier period."

Under "International Reserves" at page 27, it states:

"Trinidad and Tobago's net foreign position improved to \$686 million at the end of June compared with \$603.8 million at the end of March. Commercial banks' net foreign assets grew by \$57.6 million to \$404 million due in part to the continued increase in foreign currency account balances."

These figures from the Central Bank, together with the bulletin put out by the CSO, showed that at the end of the second quarter unemployment had fallen to 16.5 per cent, the lowest for more than a decade. So that there is no question that the economy is responding positively and we all should take some pride in that, including Members on the other side.

The only other matter I wanted to deal with is customs reform, because certain statements were made about the container examination stations being a humbug. The container examination stations are, in fact, welcomed by the manufacturing community because this is an area with the countervailing duties that gives us greater control. The contract for the construction of the station at the Port of Spain wharf has been granted and the one at Point Lisas is now completed and in operation. In the first two months of the operation of the station at Point Lisas, more than \$1 million in fines and additional duties was collected as a result of those detailed examinations.

In several instances we found imports of filters and so forth, mis-declared and coming in under rates of duty far less than they were supposed to, which, had they not been caught, would have imposed a severe threat to our local manufacturer. So that, in fact, those examination stations are safeguarding the industry and jobs of a number of manufacturers in this country.

One further point. I think it was the Member for Nariva who said that we had not made any export rebate payments. Technically that is correct, because the export rebate system was an offset system and no cheques were actually issued. It was an offsetting mechanism. But in spirit, the system did work and a number of importers of raw materials were able to successfully offset against their new duty

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liabilities. That system is now being abolished with the removal of the five per cent.

Therefore, I wish to place on record that the Customs Division is continuing in its reform exercise and very shortly a number of legislative amendments will be brought to this House in furtherance of the same.

Thank you, Mr. Deputy Speaker.

**5.40 p.m.**

**The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Keith Rowley):** Mr. Deputy Speaker, I assure Members that I would be very brief in this intervention, as I rise purely to assist Members on the opposite side, who seem to have had information from an unreliable source.

The Member for Oropouche sought to advance an argument that one of the problems consumers in this country have with respect to the purchase of chicken, which is the staple meat product in this country, has to do with the imposition of taxes on the importation of hatching eggs.

The information available to the Member at the time—and I have no reason to believe that he wanted to be anything other than accurate—caused him to advance to this House that this country was importing all of its hatching eggs requirement and that the Government was imposing a rate of duty of 30 per cent on these imports, which translated into higher prices for chicken to the local consumer.

I would just like to correct the record and indicate to Members opposite—nearly all of whom represent agricultural communities—that in Trinidad and Tobago today, there are 13 companies engaged in the production of hatching eggs.

For the benefit of the House, I would like to identify these companies so that this kind of error may not be repeated. They are: Arawak and Company; Ibrahim's, Super Chick, United Hatcheries, Central, Gerizim, Trinidad Hatcheries, Wong Chong, National Poultry Companies, El Chico, Violets, Tobago Hatcheries and so forth. All of these companies are engaged in the production of hatching eggs. So I am surprised that Members who represent constituencies where these companies are located could indicate to this House that this country is importing all its hatching eggs requirement.

In terms of production, the figures available to me for the period January to June, 1995, indicate that the local production of hatching eggs amounted to

42,355 cases—one case contains 30 dozen eggs. In short, during that period January to June, 1995, this country produced approximately 15 million eggs.

However, there are times when small amounts of importation are required to balance off the availability of eggs and one would have seen in the local newspapers that the local producers sometimes object and indicate that it might not even be necessary to import eggs. However, the importation amounts to 28 per cent and, again, contrary to what has been said by the Member that taxes are levied against these imports resulting in higher chicken prices, may I inform this House that insofar as 28 per cent of hatching eggs is imported into this country, absolutely no taxes or duties are levied against those imports.

Mr. Deputy Speaker, having said that, one would see, therefore, that no case could be made which seeks to advance that the price of chicken has anything to do with Government's taxation on hatching eggs. I introduce this for the benefit of Members.

Thank you, Mr. Deputy Speaker.

**The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley):** Mr. Deputy Speaker, I thank all Members of this honourable House who have taken the time to contribute to this debate. My sensing is that our colleagues opposite will support the legislation. They took time to point to what they perceive to be certain areas of difficulties, and I want to address some of those points. I also thank my colleagues on this side for the support they have given to the legislation.

I would start with my colleague and friend the Member for Caroni East, who is away from her seat at the moment. The Member wanted to know why this legislation is being amended, arguing that we wanted simply to follow GATT without considering what was right or in the best interests of the people of Trinidad and Tobago.

I make the simple point that we are a member of GATT. We had to make a policy decision when we signed that agreement at Marrakesh, that we were going to accept these conditions. Having done so, we are merely complying with a requirement to make our legislation consistent. The policy decision was made when we decided to accept the GATT formulation. Quite simply, there are about 114 countries around the world that are members of GATT and we are in that club.

Then there was this free trade argument of 1990. In my opening remarks, I attempted to make the point that there were certain conditions. If one is operating

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in a certain environment under a certain paradigm, then certain conditions are applicable, but if that paradigm changes then one has to be consistent. So that in the same way one wanted the negative list and all of these things when one was operating under the protective walls [*Interruption*] I am hearing the Member for Tobago West, and I make the point, quite simply, that when the last government started the dismantling of the negative list it was doing that in an unprotected environment. There was still a fixed exchange rate; there was no anti-dumping—

**Miss Nicholson:** All of that was being addressed!

**Hon. K. Valley:** Mr. Deputy Speaker, there was no import surcharge, so that here you had the removal of the negative list and all these things. [*Interruption*]. The Member is being highly dishonest.

**Mr. Deputy Speaker:** Hon. Members, let us have some order, please. I am having difficulty following the Member.

**Hon. K. Valley:** Thank you very much, Mr. Deputy Speaker.

**Dr. Rowley:** Mr. Deputy Speaker, I just want to assist the honourable House so we could avoid this kind of confrontation. I advise the Minister of Finance that on the next occasion when we are having a debate and are about to go home, he should not get up and read that kind of information as it upsets my colleague the Member for Tobago West.

**Hon. K. Valley:** Mr. Deputy Speaker, as a fact, when this Government came into office at the end of 1991, it met certain agreements in place. Governments may come and governments may go, but if there are agreements, those agreements must be honoured.

**5.50 p.m.**

In Opposition, I think it was the Member for Caroni East who quoted the hon. Prime Minister and said clearly that if one was following a certain strategy, then one had to ensure consistency. That was the point that was being made. There was an agreement and the last Government was implementing part of the agreement. The negative list was being removed but there was no protection. We were saying one had to ensure that the safeguard mechanisms were in place.

In July 1992, the Government came to this Parliament with the anti-dumping legislation. Before that, the Government put in place, immediately, the import surcharge so that as it was removing the negative list there was the import surcharge providing a level of protection to the local manufacturing sector.

As soon as the time was opportune it liberalized the currency. That took place in April 1993. The simple point is, if one was dismantling the negative list, one was moving to international competitiveness—one cannot be half pregnant; one has to go all the way. One is changing from one system to the other. That was our criticism.

Then there was the argument, the concept of free trade. I say today that there is no place in the world with free trade. When people talk about free trade they are really talking about a movement towards a situation. We are talking about freer trade. Even within Caricom there is protection for certain countries.

The concept of free trade talks of no duties, no tariff barriers but, as a fact, there is no place in the world where that is taking place. So that when they make a big hullabaloo about a statement in 1993, that statement is true even today. When we look at the protection, the tariff labels within the Common External Tariff, do we have free trade?

The less developed countries that are protected—there is no free trade, if one talks about all duty removal, it is a movement towards a position.

The Member spent quite some time on the Authority that is required under the legislation and wanted to know whether the Authority was one person. I thought I had made it quite clear that three officers were trained. The Member is a former public servant, so I am sure she understands the concept of "accountable officer." The Permanent Secretary in any ministry is the accountable officer but that does not mean that he or she is the only officer in the ministry.

We are starting with a unit of three persons for the Authority and we expect that is going to be part-time in the first instance. If there is demand, first of all one, then two, then three may become full-time and then we may have to employ additional persons. We do not expect to get a flood of complaints. We know there is need for the protection there. I hope the Member for Oropouche is correct—I hope we would never have to use the legislation, but it is there in case it is needed.

Officers were trained. The Member talked about having expertise. I asked her how we would acquire that expertise and I thought she would have answered "by getting people trained." That is what we did.

The Member for Nariva wanted to know why we did not proclaim the Act a long time ago. We could not do that because we did not have the trained expertise. We now have it. We have persons of high calibre, who have spent

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quite some time in professional life after graduation. We have the former Chief Trade Officer, a very senior person in the public service, with graduate training in economics, years of service. There is a trained lawyer, a person with a Master's Degree in law, with years of experience in professional life. And, there is an economist of years standing in the unit.

One of the main changes in the current Bill is the emphasis on setting out clearly how a complaint is to be investigated, the steps that one must go through.

The Member for Caroni East went through the regulations and talked about bringing the information which must be provided. One needs the information if one has to do one's job. And, these are international requirements. As I said, it is GATT consistent.

Let me make one other point on the expertise. Our consultants are available. They are on-call in a situation in which we need expertise that is not available within the Authority.

**Mr. Humphrey:** I thank the hon. Minister for giving way. Would it not be better to strengthen the Authority, as proposed by the Member for Caroni East, and consolidate the data within the Authority so as not to have the applicant having to go through the long bureaucratic process of gathering information which may be very hard for him to get? Would it not be better to consolidate that in a data base within the Authority and strengthen the Authority by bringing representation from the affected groups in the society?

**Hon. K. Valley:** Mr. Deputy Speaker, there are two issues. First of all, a complainant is required to provide certain information relevant to the complainant. I do not know how we are going to have that on a data base.

I want to deal with the other aspect of the question. If I understand what the Member was saying, the proposal of the Member for Caroni East which was supported by the Member for Nariva, is that we should have the different interest groups, that is, the Trinidad and Tobago Manufacturers' Association, the Chamber of Commerce and the Bureau of Standards and so forth as part of the Authority.

There are about three issues to that. First of all they are not trained, and these people were trained. If they have to be there, then they ought to go through similar training in order to do the investigation.

**6.00 p.m.**

Secondly, the whole concept of the Authority must be independence. We cannot, be investigating a complaint from a Member of the TTMA and have one of

the members there. It must be an independent tribunal. If it is tainted in any way, then the ability of the investigators to get the information would be compromised severely. That is just unworkable.

The Member for Nariva argued a contradiction, perhaps without knowing it. He argued that there was need for unfair trade practices legislation, but in the next sentence he said that the stripping stations were causing delays and so forth. The main recommendation coming out of the consultants on unfair trade practices is the recommendation with respect to pre-shipping inspection; there others, such as labelling and so forth.

When the Chamber of Commerce saw the report, there was no way they were going with that, because they considered it to be extremely bureaucratic and would cause considerable delay. The delay they envisaged, perhaps, would have been 10 times what one can talk about with respect to the stripping stations. It is therefore a contradiction to say that one wants unfair trade practices legislation, and, at the same time condemn the stripping stations.

**Mr. Jurai:** Mr. Deputy Speaker, it is not that I was opposing stripping stations; I was concerned about the delays, the destruction, damage that would occur at these stations. It is from this point of view I was arguing, that there is need for cleaning up the system.

**Hon. K. Valley:** Mr. Deputy Speaker, I am merely saying that if one considers bureaucratic delays there, the feeling is that the delays with respect to unfair trade practices would be at least 10 times what they are with respect to the stripping stations.

The Member for Oropouche had concerns about the definition of "industry". I understood it so clearly and knowing the competence and the brilliance of my Friend the Member for Oropouche, I thought it would have been a cinch for him. On the last occasion when I came to the Parliament and attempted to go through a Bill, I remember the Member complaining that he could read also, and he did not know why I was going through the Explanatory Note and so forth, so that it is very difficult to please the Member.

However, with respect to the definition of "industry", all one attempted to do was to clarify and to lower the hurdle in terms of the definition of "industry". The original Act talks about the industry, that is implying 100 per cent and section 3(1)(b) talks about collective output constituting a major proportion of the Trinidad and Tobago production of like goods; suggesting therefore, that one was looking at a minimum of 51 per cent.

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One is now looking under the new legislation at putting a hurdle of 25 per cent, but giving certain exceptions; it allows fewer producers of the like goods to file a complaint. One no longer requires 51 per cent; one simply requires a 25 per cent hurdle rate.

However, clause 3(i)(b) says, that one could divide Trinidad and Tobago into two separate markets, one for Trinidad and one for Tobago. If, for example, the Tobago producers are not selling in Trinidad, one could then consider Tobago as a separate industry and that sort of concept.

**Mr. Sudama:** A geographical concept?

**Hon. K. Valley:** Trinidad and Tobago—they are two countries. In clause 15 there is another exemption to which the Member referred.

I do not know what else I need to comment on with respect to the Member for Oropouche, I think my colleague the Member for St. Ann's dealt with some of the issues the Member raised with respect to the pluses coming out of this legislation, or the whole trade liberalization.

But as a fact the manufacturing sector is growing. They are very bullish in what is happening in Trinidad and Tobago. I am happy, as Minister of Trade and Industry, that more persons are being employed. As a matter of fact, employment is at its highest in Trinidad and Tobago. That is a fact situation. At no time in Trinidad and Tobago were more persons employed than at present.

Mr. Deputy Speaker, I thank my colleagues on both sides of the House for the support that they give to this piece of legislation. *[Interruption]* No, but you have said it. I hope I have answered the major areas of difficulty.

Mr. Deputy Speaker. I now beg to move.

**6.10 p.m.**

*Question put and agreed to.*

*Bill accordingly read a second time.*

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

*House in committee.*

*Clauses 1 to 25 ordered to stand part of the Bill.*

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

*House resumed.*

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

*Adjournment*

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**ADJOURNMENT**

**The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley):** Mr. Deputy Speaker, in moving the adjournment this evening I report that by agreement of both sides of the House this Friday is going to be Private Member's Day.

We plan to sit next Wednesday also and deal with the EPZ legislation. There would be a motion on the Order Paper with respect to Land Acquisition which the Government intends to deal with and also the Bill dealing with the amendment to the Immigration Act.

Next Friday the Government plans to have the debate on the report of the joint select committee on the companies legislation, and take the Securities Industries Bill through all its stages.

Mr. Deputy Speaker I beg to move that the House do now adjourn to Friday, September 15, 1995 at 1.30 p.m.

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 6.15 p.m.*