

DAY 2: WEDNESDAY 18th FEBRUARY 2015

TIME: 9:10am

I. GOVERNMENT ORDERS OF THE DAY

1. CITIZENSHIP INVESTMENT BILL 2014 (second reading debate continued)

Hon FONOTOE Nuafesili Pierre Laufofo, Minister for Commerce, Industry & Labour, Deputy Prime Minister continued with his clarification statement on the *Citizenship Investment Bill 2014*. He resumed by distinguishing between the different types of “citizenship” such as citizenship by birth, marriage, descent and permanent residence which will now also include the citizenship created through this Bill. He noted that the minimum investment amount is SAT\$4 million for an application for citizenship from a foreign investor. He also made the comparison with spiritual citizenship that people get to choose to become citizens of the Lord’s kingdom or alternatively become citizens of hell.

The **Hon Deputy Prime Minister** described the numerous benefits to be had for Samoa as a result of the proposed investment program. Economically, the benefits would include a boost in tourism. For example, there would be an increase in tourists to Samoa which would result in an income increase for hoteliers and transport providers. He then addressed the widespread assumption that the Bill has been designed to “sell off the country”.

Mr Speaker: Clarified the Hon Deputy Prime Minister's above statement ("sell off the country") as meaning "[the Bill will see a loss in [Samoan] land"]".

Note: *TAPUAI Toese Ah Sam, Member for Salega* took offence to the **Hon Deputy Prime Minister's** reference to 'spiritual citizenship'. **Mr Speaker** accepted the member's interjection but ruled that individuals interpret biblical scriptures and theology differently.

Point of Order: **Mr Speaker** instructed all members to hold comments and questions until the **Hon Deputy Prime Minister's** clarification of the Bill is complete.

The **Hon Deputy Prime Minister** continued his clarification on the effect of the investment program on Samoan land. He stated that customary land is protected under the Constitution with the classifications being freehold, customary and State land which may be leased to qualifying companies and the like. At the expiration of a lease's 3 year permit, a Committee takes note of and assesses the progress of the lessee's development of the leased land. If, at the end of this 3 year period a request for citizenship is available the request will be reviewed by the relevant Committee. He noted that there are different processes for citizenship and investment. Individual investment plans are reviewed to ensure that the investor has complied with the requisite criteria as detailed in the Bill. Financial statements will also be considered in addition to obtaining police clearance and medical reports. The point is that not all requests for citizenship will be granted as decisions will be made on a case by case basis. He then proceeded to clarify Clause 10 of the Bill which details the processing of citizenship applications.

Note: **Hon TOLOFUAIVALELEI Falemoe Leiatua, Minister for Women, Community & Social Development, Member for Aana Alofi No.2** raised his

concern over comments made by the member for Salega, **TAPUAI Toese Ah Sam**, during yesterday's closing prayer.

Mr Speaker begged tolerance from the House and from the member for Salega.

Hon TUISUGALETAUA Sofara Aveau, Minister for Works, Transport & Infrastructure and member for Vaimauga East asserted that there needs to be a clear distinction between matters which should be reserved for discussion in the Church and those to be discussed in the House. Parliamentarians are here in the House to discuss laws, not to receive and debate spiritual advice.

Mr Speaker commented that religious beliefs are an individual preference depending on one's denomination. Since he personally chose the member for Salega to close yesterday's sitting with a prayer, he expects the House to accept the member's prayer which was offered on everyone's behalf.

The **Hon Deputy Prime Minister** continued with his description of the Committee review process for applications. He stated that after the Committee has reviewed a particular application, a recommendation is given to Cabinet for approval and processing. It must however be noted that this citizenship is not permanent. For example, if the Committee carries out an investigation and finds that the applicant has committed an offence overseas, the granted citizenship will be declared void. The Committee are to present a report of its work to both Cabinet and Parliament according to the usual reporting process.

Point of Order: Mr Speaker reminded the House that debates should be limited to issues strictly relating to the Bill.

i. PAPANII Lio Faavaivaianu Tave Masepau, Member for Faasaleleaga No.2 stated that the required SAT\$4 million investment used as a means of attracting investors is insufficient; the amount should be increased to SAT\$100 million. He also noted that there are other parts of the Bill which state that it is possible to invest SAT\$2.5 million as well as other stated amounts.

The **Hon Deputy Prime Minister** clarified that SAT\$4 million is the minimum qualifying investment amount and that the Bill permits this amount to be exceeded. SAT\$2.5 million is the amount which the investor must provide at the time of his or her application.

ii. PAPANII Masepau then questioned land investments and their lease, as a request may be made by an investor to lease or purchase State land.

Hon FAAMOETAULOA ULAITINO FAALETUMAALII, Minister for Natural Resources & Environment, Member for Gagaemauga No.3 clarified that “land” as referred to in this Bill is public land as per the relevant Cabinet Directive that public land is not to be bought or sold, but may be leased.

Hon PALUSALE Faapo II, Leader of the Opposition, Member for Safata posed the question as to which should take precedence, a Cabinet Directive or the law?

FAAMOETAULOA stated that the Lands Survey Act amendment is in process in accordance with the relevant Cabinet Direction.

iii. PAPANII Masepau queried the status of an investor applicant’s spouse, particularly if there is more than one spouse.

The **Hon Deputy Prime Minister** clarified that the provision only covers a single legally married spouse for citizenship applications.

iv. PAPANII Masepau then raised concerns over the eligibility of ‘step children’ to citizenship through parental decent. His concern is that these children would be entitled to the limited educational scholarships for Samoan students, in addition to possible health conditions that they may bring with them into the country.

The **Hon Deputy Prime Minister** assured the member and the House that applications will be thoroughly investigated prior to citizenship being granted. He again noted that the screening process will include investigating police and medical records, as well as any other relevant documents.

v. AFOAFOUVALE John Moors, Member for Palauli noted that the Samoan word used by the Member for Faasaleleaga No.2 to refer to a ‘step child’ [tama fai] is incorrect in the Bill’s (and legal) context.

PAPANII Masepau asserted that a ‘step child’ is not recognized by law. He then commented that in terms of offences, the Committee is to review the penalty units for considering entrance into Samoa whereas the assessment of an offence is higher to have one’s citizenship declared void. For investors, the Committee does not assess a mother (investor’s spouse) and his or her children. In terms of disadvantages and advantages as mentioned by the Hon Deputy Prime Minister regarding additional national revenue acquisition, there are in fact other avenues to obtain additional revenue.

The **Hon PRIME MINISTER** asserted that there are in fact only two methods; one is to move mountains via one's faith and the other is to "count your money" before you delve into a project.

Hon MAGELE Mauiliu, Minister for Education, Sports and Culture, Member for Faasaleleaga No.1 reminded Mr Speaker that the member has already exceeded his allotted speech limit of 20 minutes.

PAPALII Masepau continued by stating that the processing of agricultural products is a qualifying investment criterion. However, local farmers are already facing issues in terms of supplying their own products to meet financial demands and commitments; for example in order to provide food for one's pastor yet some pastors now have their own taro plantations and are competing with farmers at the market.

Mr Speaker instructed the member to abstain from making references to the clergy.

Hon LE MAMEA Ropati, Minister for Agriculture & Fisheries, Member for Lefaga & Faleaseela informed the House that the Ministry is encouraged by anyone who works their land for food production. There are several cases of ministers of religion who own plantations and they are leading examples for their people.

The **Hon PRIME MINISTER** provided further clarification by stating that Samoan farming crops have in recent past been scarce but now that they are flourishing, the problem has been our ability to supply open markets.

PAPALII Masepau offered an example by stating that approximately 70% of the country depends on farming as a source of income. The concern is that if foreign

investors are permitted to enter the country, they will dominate the agricultural sector.

Mr Speaker noted that if recommendations are made in the House and the Government does not reply, this implies that the point has been noted. However, if clarification of an issue is needed, the Government will provide it.

The **Hon PRIME MINISTER** commented on the member for Faasaleleaga No.2's previous remarks by stating that it was the primary purpose for the establishment of the Scientific Research Organisation of Samoa (SROS). Its purpose is to research on local raw materials for agricultural produce, such as oil produced from avocado. The research is being conducted but what is needed at present are investors to ensure that these products are produced at full capacity. In terms of Samoa's primary products, there are current issues with product exportation due to quarantine restrictions; therefore a second approach which could be utilised is to produce products which would increase our exports.

Mr Speaker announced the remaining members which may speak before proceedings are suspended for the House's usual morning recess

The **Leader of the Opposition** stated that the Government and the Opposition members should address the House in turn.

Mr Speaker withdrew his ruling to include additional members who wished to speak.

vi. LEFAU Harry Schuster, Member for Vaimauga West raised various concerns as to the merits of the Bill, particularly in terms of granting citizenship to foreigners and its effect on the local indigenous population. He stated that the matter before

the House affects Samoan heritage, which is priceless. After discussing the various types of citizenship (via birth, marriage, descent, request or residency) the member acknowledged the Bill's objective in terms of promoting Government development strategies. However, he emphasised that his main concern was with its effect on citizenship as a national of Samoa.

One concern he raised was the possibility of competition between local business people and overseas investors; a problem which the member asserts has been evident in New Zealand. Apparently, in New Zealand local business owners are unable to compete with similar foreign investors. Similarly, in France, investors have been permitted to establish themselves in the local wine industry due to local vineyards being unable to meet the supply as those of foreign investors. Despite the fact that there will be an increase in savings to Government Funds for other developments, the member again emphasised his concern at the overall effect on the local indigenous Samoan population. The member then referenced the writing of Professor Davidson from which a Samoan orator is quoted as claiming that although other Pacific Islands can trace their origins through migration, Samoans originated from within their own lands.

The **Hon Deputy Prime Minister** clarified that investors do not reside permanently in one country owing to the fact that they must tend to their multi-national investments. He again detailed the various benefits of the investment programme to the future of Samoa.

LEALAILEPULE Rimoni Aiafi, Member for Faleata West noted that the **Hon Deputy Prime Minister** has detailed the benefits of the programme one too many times.

Proceedings were suspended at 10:45am and resumed at 11:26am

vii. Hon GATOLOAIFAANA Amataga Alesana-Gidlow, Member for Faasaleleaga No.1 raised various concerns over the possible consequences of the Bill's enactment, specifically in terms of land tenure. If the Bill is enacted, it will afford foreign investors the same privileges to and over freehold land as those held by the local indigenous population. Given the fact that there is a small percentage of freehold land available due to an increased migration by locals to urban areas, the concern is that additional investors would further limit local access to freehold land. In terms of business, there is an on-going trend whereby foreigners own more businesses than locals. The member noted that this trend is also evident in our neighbouring country of American Samoa.

The member asserted that the Bill essentially affects the independence of Samoa. Samoans are defined by their language, culture and land; these are the treasures which we should be protecting. The member asserted that the Samoan people have a living relationship with their land; they are inexplicably linked to their land in the sense that it belongs to them. Our Samoan heritage is God-given and therefore needs to be protected otherwise it may be taken away from us.

viii. Hon PAPALIITELE Niko Lee Hang, Independent used the biblical quote that “[t]he desire for money is the root of all evil” as the basis of his remarks to the House. He stated that the Government must be mindful of its decisions as neighbouring countries such as Australia have already felt the negative effects of its attempts to entice business investors; case in point, the recent terror attacks on a business in Sydney.

The **Hon Deputy Prime Minister** stated that the terror attack on the Sydney café was not by a business owner, but a refugee.

Mr Speaker noted that the attack was by a millionaire's son.

The **Hon PRIME MINISTER** commented that terror attacks and disease which members have continued to refer to are appropriately dealt with before there is an opportunity for them to be enacted on Samoan land. He reassured the House that in this context, there is no need for concern.

The **Hon Leader of the Opposition** claimed that "citizenship" is one's basic human right and this Bill will remove that right from him.

The **Hon PRIME MINISTER** commented that the citizenship of the honourable Leader of the Opposition is not being removed (with the enactment of the Bill). He also noted that the Leader of Opposition is also a citizen of New Zealand and Australia.

The **Hon Leader of the Opposition** clarified that he personally, only uses one citizenship; his Samoan citizenship.

The **Hon PRIME MINISTER** informed the House that he regrets that the Government is no longer able to award citizenship to overseas born Samoans. That is, second generation Samoans who are now unable to gain citizenship via their parents decent. This is particularly true in light of the many talented overseas born Samoans who could represent Samoa in rugby.

Hon PAPALIITELE Niko Lee Hang asserted that his previous comment in regards to immigrants is that their religious beliefs may impact negatively on Samoa. This may result in drastic effects on the Samoan culture and traditions, in particular land. These are serious issues which must be considered. The member noted his support

for the Bill in terms of its ability to create employment opportunities but emphasised his concern over the Bill's possible negative effects. He then went on to address the "reserved list" and qualifying investments.

The **Hon Deputy Prime Minister** clarified that there would be no change to the reserved list in relation to bus operators. The Bill provides opportunities for applicants to make requests to the relevant Committee, but this does not affect local bus or taxi operators.

Hon PAPALIITELE Niko Lee Hang quoted **Clause 18(1)(b)** of the Bill:

"18. Conditions of citizenship by investment- (1) A citizenship by investment is subject to the following conditions: (b) upon granting of citizenship, the investor is entitled to invest in any other business or economic activities listed under the Reserved List and the Restricted List in Schedules 1 and 2 of the Foreign Investment Act 2000."

The **Hon Deputy Prime Minister** stated that there are preceding steps which must first be considered before this particular clause [18(1)(b)].

Point of Order: Mr Speaker informed the House that members are restricted from addressing specific details of the Bill.

LEALAILEPULE stated that the issue raised by the previous member will eventually "come to pass".

ix. Hon TUUU Anasii Leota, Member for Siumu spoke in support of the Independent member's previous comments and quoted remarks made by other members outside of Parliament. He also asserted that the remarks are "factual"

and are views which are in line with issues raised by the Bill. He then queried the short title of the Bill and whether there are other alternatives for citizenship which may also attract potential investors. He made reference to Yazaki and other similar investors who have invested in Samoa without being given additional incentives such as citizenship. He raised his concern that the restrictions provided in the Bill are insufficient to bar immigration by “unwanted visitors”.

He also made reference to provisions which void citizenship and queried at which point a citizenship may be declared void after an offence has taken place. He also raised concerns over local business owner’s inability to compete with foreign investors but supported the idea of attracting investors to Samoa to increase the production of local products.

The **Deputy Prime Minister** informed the House that all member recommendations have been noted. He then clarified that Yazaki did not invest as a result of an investment program; however, the Bill in question monitors investors. He also addressed the comments made in relation to the eligibility of non-Samoans to become Members of Parliament, where a Matai title is a requirement for membership.

The **Leader of the Opposition** also raised concerns over the general issue of Matai titles.

The **Hon Deputy Prime Minister** stated that those Matai titles (gifted to foreigners) are not registered; therefore they would be ineligible to serve as Members of Parliament. He also reminded the House that Bills brought before Parliament are for the betterment of the nation and its people; this includes the Bill currently being discussed.

LEALAILEPULE noted that a European ran for office in the 2011 general elections.

The **Hon Deputy Prime Minister** clarified that the European candidate was a citizen via marriage, not a foreign investor.

The **Leader of the Opposition** urged the Hon Deputy Prime Minister to be patient with his replies as the matter in discussion is of utmost importance, that is Samoan citizenship.

Mr Speaker informed the House that the 2014 Electoral Amendment Bill is currently before the Business, Standing Orders, House & Electoral Committee and advised the Committee members not to comment on these specific matters.

Hon TUUU commented on several issues raised by previous members and noted again Hon PAPALIITELE'S reference to the love of money being "the root of all evil".

x. **Hon LAUTAFI Fio Selafi Purcell, Minister for State Owned Enterprises, Member for Satupaitea** spoke in response to the issue raised in regards to land under the Samoa Land Corporation.

xi. **Hon LEAUPEPE Toleafoa Apulu Faafisi, Member for Aana Alofi No.1** commented that the member who spoke earlier supports any Government "Bill" or "strategy".

xii. **The Hon PRIME MINISTER – MINISTERIAL STATEMENT**

The Bill essentially serves as a means to attract potential investors to Samoa to aide its future economic development. The Hon Deputy Prime Minister has already

provided details of the preparatory stages of the Bill. Heads of departments were consulted in addition to consultations being held with Special Committees and the general public within a 3 year period. The Bill will also be referred to a Parliamentary Committee for member investigation and public input.

The Hon Prime Minister asserted that the Bill is important for employment creation, especially for returning graduates. He recalled the attendance of Foundation students in the House yesterday as an example of the importance of job creation for the future for such students. He commented that it is unnecessary to deliberate on the need to improve local education when there is a declining job market for graduates. Therefore, the proposed plans [as detailed in the Bill] are essential to the many generations of Samoan young adults in the future.

He noted that members have continually quoted scripture throughout this debate while also failing to recognize the applicability of other proverbs. Further to this, there are methods that are used abroad which can effectively be applied to Samoa's development which have yet to be considered locally. He then stated that the Hon Deputy Prime Minister made reference to the lack of local minerals and resources which raises the issue of exploring appropriate methods to develop local resources by developing Samoa's human resource.

The Hon Prime Minister further commented that foreign investment is utilised by most countries, their success however depending on the initiatives used to attract foreign investment. Samoa, unlike Fiji, does not have the necessary human resource (and capacity) to draw from; this is why foreign investors are a necessity to initiate national developments both in business and sports.

He also noted that there are plans in the pipeline for qualifications conferred by the Oceania University of Medicine (OUM) to be internationally recognized and accredited; with the facility to serve as a 'teaching hospital' for medical interns. He then noted that there are investors which are interested in these types of programmes and that their requests to implement such plans are currently on hold. Government has spent approximately SAT\$40million in the past 3 years on overseas medical referrals which is an issue to address.

He also noted that there are difficulties many investors encounter when attempting to travel between countries in which their businesses are located. A relaxing of travel restrictions to Samoa will result in an influx of prospective investors.

The Hon Prime Minister noted that it has been 50 years since a similar Act has been enacted; one with the specific aim of attracting foreign investors (this includes Yazaki and Vailima). He then recounted on his personal experience in 1975 as the then Minister for Finance, to finalise an agreement to set up Vailima Breweries (a major German investment company). This emphasises the fact that foreign investment is not new to Samoa. Yazaki, for example, is owned by a Japanese investor despite the major shareholder not having visited Samoa personally. These multi-millionaires have numerous investments in various countries with their investments in Samoa proving miniscule in comparison to their major investment portfolios. If after 50 years, there are more than 10 such companies in Samoa, employment opportunities will be created. This Bill has been in the infant preparatory stages for 3 years and now it has come before the House.

The Hon Prime Minister then referred to the events which lead to World War II and noted that if Japan had not bombed Pearl Harbour there would not have been

war. His point being that a single event can have severe effects; however, there are also beneficial effects as is the case with this Bill.

The VAGST Act 1994 was enacted to enable the Government to increase its revenue and national developments. A lot of objections were directed at the late Prime Minister, Tofilau Eti Alesana when his government initiated major infrastructural developments such as constructions of Government buildings and roads, yet it was all for the prosperity of the country. In recent years, the Bill which proposed a switch to the right hand side of the road was petitioned against. Opinions included that such a switch would be dangerous with references made to an average of 70% of accidents occurring as a result of a switch. However, now that the Bill has become law many families have benefitted and now have the ability to own their own personal vehicles. He reiterated that each Bill which may at first appear controversial to members and the public, are introduced by the Government for the positive development of Samoa.

The **Hon Prime Minister** moved a motion that the Ministerial statement be set aside and resumed when the House reconvenes the following day; motion approved.

***Proceedings were suspended at 1:05pm
to reconvene at 9:00am on Thursday 19th February***