

DAY 3: THURSDAY 19th FEBRUARY 2015

TIME: 9:08am

I. GOVERNMENT ORDERS OF THE DAY

1. CITIZENSHIP INVESTMENT BILL 2014 (Ministerial Statement Continued, Hon PRIME MINISTER)

The Hon Prime Minister continued his Ministerial Statement by emphasising the Hon Deputy Prime Minister's earlier clarification of the Bill's objectives. He also reiterated the fact that the preparatory stages of the Bill required a lot of effort, time and resources. This was particularly the case for the numerous consultations that took place with various committees and the public.

The Hon Prime Minister noted that the Bill was benchmarked against Caribbean countries which have already adopted citizenship by investment legislation.¹ He then noted that the Bill was drafted to account for the ever changing Samoan employment environment with a view towards what needs to be implemented for the future job market. He stated that this is the overall aim of similar enacted legislation, to enhance Samoa's job market by attracting large businesses to our shores, similar to Yazaki.

The Hon Prime Minister remarked on the recurring references made in the House by several members during yesterday's sitting regarding the biblical quote "[t]he love

¹ For example, Antigua and Baruda's *Citizenship by Investment Act 2013* & related Regulations.

of money is the root of all evil". He stated that the quote implied that the Government's pursuit for national income to fund developments was detrimental.

The **Leader of the Opposition** interjected but was instructed by **Mr Speaker** to withhold his interjections as Ministerial Statements under the Orders cannot be interrupted by any Member.

The **Hon PRIME MINISTER** continued by reminding the House that at times, the Government must resort to legislative mechanisms to permit the acquisition of additional national income; such as the creation of investment and employment legislation. The initiative (citizenship investment programme) detailed in the Bill is in alignment with the long term development objectives of Samoa.

He stated that during the Tofilau administration, a Cabinet Directive was issued to permit Yazaki to operate in Samoa. Since that time, employment by Yazaki has plummeted from 3,000 to approximately 1,000 employees due to the increasing competition from overseas companies. This highlights the fact that there is an existing need to entice overseas investors and businesses, to facilitate the creation of new jobs. The Hon Prime Minister also emphasised the importance of 'international branding' in terms of hotel chains such as the planned Sheraton Aggies Hotel. He claimed that by attracting international companies to our shores, tourists will be more likely to take up accommodation in hotels that they are already familiar with. He further claimed that if we want to improve our tourism sector, we must develop our hotels and hospitality services to compliment this. In order for Samoa to compete with neighbouring islands such as Fiji, the facilities and services we offer must improve with an additional emphasis on bringing down costs.

The primary objective of increasing business competition is to see an increase in the country's GDP in order to facilitate development. The fact that Samoa has become a signatory to the WTO means that necessary assistance will be provided. This will be in terms of both services and efforts to limit the existing 'brain drain' trend whereby qualified professionals leave Samoa in search of better job opportunities overseas.

The Hon Prime Minister commented that there should be an attempt to improve the current 'work ethic' amongst the Samoan working populace; noting Samoans abroad working for the apple picking scheme who went on strike due to unfavourable working conditions. He stated that businesses which will come to Samoa will be able to model a better work ethic to local employees. He then made a comparison between the quality and quantity of goods produced locally and abroad. He commented that local producers should be assisted via continued Government subsidies to ensure that they are able to compete and survive in the international economic market. He then recounted a tourism example which reflects this, namely the *Teuila Festival* which began in 1983 modelled on the Fijian Hibiscus festival after a government visit to Fiji in 1981.

In his closing remarks, the Hon Prime Minister again emphasised the overarching objective of the Bill. He noted this as being an effort to increase employment opportunities in Samoa. He reminded the House that Acts passed by Parliament are for the development of Samoa; these laws are to ensure the Samoan populace are able given the appropriate means and avenues to develop their families and villages. If the Bill is enacted, the timeframe in which one may hold Samoan citizenship will be decreased from 5 years to 3. This is in recognition of Samoa's ever increasing population; the Bill is therefore one mechanism by which the Government is preparing for that very future.

POINT OF ORDER: Mr Speaker reminded the House that no debates may be made on a Ministerial Statement.

MOTION: *Hon TOLOFUAIVALELEI Falemoe Leiatua, Minister for Women, Community & Social Development, Member for Aana Alofi No.2* moved a motion that the Hon Prime Minister's Ministerial Statement be tabled; the motion was approved.

The **Leader of the Opposition** claimed that the Hon Prime Minister was in fact using his ministerial statement as an opportunity to answer member's queries on the Bill.

POINT OF ORDER: Mr Speaker stated that it is a Minister's discretion to present his or her speech as a general statement or a reply.

The **Hon PRIME MINISTER** informed the House that the Ministerial Statement is not a 'response' by the Government to comments made and issues raised by members in the House. Furthermore, he is not the responsible Minister for the Bill in question. Therefore, the responsible Minister, the Hon Deputy Prime Minister, will be responsible for answering member queries in due course.

The **Leader of the Opposition** then claimed that the Ministerial Statement was a mere strategy by the Government to restrict members from speaking.

i. PAPANII Lio Faavaivaiomanu Masepau, Member for Faasaleleaga No.2 stated that a Committee report shows that there are available funds (via Customs and Duties revenue) to assist with various needs which have been identified by members.

Hon LAUTAFI Fio Selafi Purcell, Minister for State Owned Enterprises, Member for Satupaitea noted that the Government has already considered the recommendations put forward by the Committee which the member for Faasaleleaga No.2 referred to. He then noted that the Bill being discussed will be enacted taking all recommendations into consideration, as in its entirety the Bill will be an additional incoming generation medium.

Note: **TAFUA Maluelue Tafua, Member for Aleipata (Itupa i Lalo)** requested a copy of the Ministerial Statement. **Mr Speaker** stated that copies may be provided to members by the Secretariat at the day's end.

ii. LEVAOPOLO Talatonu, Member for Gagaemauga No.2 referred to Article 13 of the Constitution of the Independent State of Samoa in terms of 'Freedom of Movement'. He stated that this freedom refers to events such as natural disasters and not relationships between businesses.

The **Hon PRIME MINISTER** stated that the only change in which the Bill proposes is to decrease citizenship residency period condition from 5 years to 3. He asserted that this is the strategy the Government is using as a means of attracting overseas businesses and companies to invest in Samoa.

The **Leader of the Opposition** commented on the expensive cost of living in Samoa, particularly in terms of vehicles. He stated that there are now excessive numbers of vehicles imported here that are no longer mechanically fit for the roads. There is a shortage of spare parts. He also stated that the maximum manufacture year for cars imported is set at 12 years which was set by the Prime Minister.

The **Hon PRIME MINISTER** replied by stating that there are vehicles which are more than 10 years old but are still road worthy and operational. The 12 year restriction was also set in accordance with requests from the Opposition at the time the road switch legislation was before the House.

The **Leader of the Opposition** commented that the country is suffering economically while the Government continues to supply “rubbish” [goods].

iii. LEVAOPOLO queried the status of the “Investment Bill” which was passed by Parliament two years ago.

The **Hon Deputy Prime Minister** replied by informing the member that the investment Bill he referred to is in fact substantially different from the *Citizenship Investment Bill 2014* now before the House. He then informed the House that there are trade negotiations currently underway with countries such as New Zealand and Australia. He noted that under Article 13 of the Constitution, these relationships [trade/business] have historically been open; this can be viewed as a means for Samoa to develop and foster international trade relationships.

LEVAOPOLO commented that the only difference between the Investment Bill [enacted 2 years prior] and the current ‘Citizenship’ Bill is that it is meant to attract investors through the provision of citizenship. Their objectives, however, are substantially the same.

The **Hon PRIME MINISTER** emphasised the fact that the Bill does not promote the ‘buying or selling’ of Samoan citizenry. The only change that the Bill proposes is to the conditions in which one may acquire citizenship. The allegation put forward by the previous member which claims that the Government is “selling” citizenship is

ambiguous. The member should attempt to quote directly from the Bill to which he will discover that the word “selling” cannot be located.

LEVAOPOLO claimed that the only thing that the Bill promotes is attracting foreigners through investment.

The **Hon PRIME MINISTER** requested that the member for Gagaemauga No.2 cites the specific provision in the Bill which permits the selling and buying of national citizenship.

LEVAOPOLO replied that the provisions are within the Bill.

Note: A debate ensued between the **member for Gagaemauga No.2** and the **Hon Deputy Prime Minister** as to various research methods that should be utilised to effectively investigate the merits and disadvantages of proposed legislation.

Proceedings were suspended for morning recess at 10:45am and resumed at 11:25am

iv. **LEVAOPOLO** raised concerns over the possible loss of the Samoan language as a result of foreign investors entering Samoa and teaching their language and beliefs to the local indigenous population.

The **Hon PRIME MINISTER** stated that the Samoan Language Commission has been established to ensure that the longevity of the Samoan language amongst the younger generations. He then pointed out that even without foreigners entering the country, the loss of the Samoan language is already evident amongst the younger population; the problem has long been in existence.

LEVAOPOLO replied that there are countries which have already successfully implemented similar citizenship programmes approximately 2,000 years ago such as the time of the Roman Empire.

The **Hon PRIME MINISTER** asserted that the member's comments should be ignored as they have no relevance to the Bill presently under discussion.

LEVAOPOLO noted that investors are also used through sports [in Rome].

The **Hon PRIME MINISTER** corrected the member and asserted that the monies referred to were not received from investors but were provided through the Empire's treasury.

Mr Speaker reminded members that the Committee hearings are an alternative avenue whereby members may present their individual views/opinions.

Note: *The Hon MAGELE Mauiliu Magele, Minister for Education, Sports & Culture, Member for Faasaleleaga No.1* rose to address the House but was interjected by the **Leader of the Opposition** who challenged the Minister addressing the House given the fact that the Bill under discussion is a Government Bill. **Mr Speaker** stated that the Minister would not address the House to present a response by the Government or a Ministerial Statement, but his own personal views on the Bill. The **Hon PRIME MINISTER** sought Mr Speaker's permission for the Minister to continue. Mr Speaker concurred.

v. *The Hon MAGELE Mauiliu Magele, Minister for Education, Sports & Culture, Member for Faasaleleaga No.1* stated that the objective of the Bill is to generate local employment whereas today's debates are seemingly focused on other issues.

It is common knowledge that more businesses need to be established in Samoa to create more jobs opportunities. During a recent statistics survey, it was noted that more than 2,000 youth (aged 16-19) were unemployed. Youth currently make up the majority of Samoa's unemployed population with more than 3,000 unemployed in the Minister's constituency alone. The Minister referenced an address by the member for Vaimauga West in 2013 which stated that youth unemployment in Samoa is on the rise.

AVEAU Nikotemo Palamo, Member for Faleata East interjected and sought clarification as to whom the Minister was referring to.

Hon MAGELE continued by stating that even qualified graduates from the National University of Samoa (NUS) were struggling to secure employment. Statistics show that over 600 graduates were attempting to secure jobs while enrolment numbers (UPY - NUS) were continuing to rise.

The **Leader of the Opposition** interjected and stated that [unemployment] is the excuse that is continually used whereas there is also a great need to increase the number of teachers in Samoa.

Hon MAGELE again continued with his address and listed out various post-secondary schools while noting that these students are not included in the number of students in the University Preparatory Year (UPY). The Hon Minister then referred to a traditional Chinese proverb in an attempt to emphasise the importance of educating the younger generations of Samoa. He claimed that the Bill should be celebrated as it will aide Samoa in achieving its goal of creating more employment opportunities. More employment opportunities are needed to cater for the ever increasing number of graduates (local and from abroad) entering the job market

each year. He then referenced a New Zealand elections survey which noted that 41% of the population confirmed there was a lack of employment opportunities. The Minister noted the recent *State of the Nation* speech given by New Zealand's Leader of the Opposition, Andrew Little on 28th January 2015. In his speech, the Leader of the Opposition is asserted to have claimed that the solution to New Zealand's current employment crisis is the creation of businesses.

The **Leader of the Opposition** claimed that the Minister for Education's speech was in fact referring to him.

Hon MAGELE replied by urging the Leader of the Opposition to show his support for the Bill as it seeks to promote Samoa's overall development.

The **Leader of the Opposition** took offense with the recommendations by the Minister for the Opposition Members.

The **Hon PRIME MINISTER** voiced in support for the Minister for Education's speech.

The **Leader of the Opposition** stated that the Hon Prime Minister was simply "adding fuel to the fire" and claimed that in the 30 years since the Human Rights Protection Party (HRPP) has been in office, the country has suffered.

Mr Speaker encouraged the House to be patient as the Bill under discussion is of the utmost importance.

vi. LAFATELE Patrick Leitaualesa, Member for Alataua West voiced his support of the Bill and its purpose of encouraging more investors in to Samoa. He also claimed that member fears that encouraging foreign investment will result in a loss

of Samoan land as unfounded. The member stated that lands in his constituency are open for investors to lease as it serves as a much needed additional source of income.

The **Hon PRIME MINISTER** stood and acknowledged the speech by the Member for Alataua West.

LEALAILEPULE noted that the discussions were focused on citizenship not investment.

PAPALII MASEPAU provided further clarification on the lands which were mentioned by the member for Alataua West.

vii. Hon GATOLOAIFAANA Amataga Alesana-Gidlow, Member for Faasaleleaga No.1 rose to provide further clarification on her address to the House on Wednesday 18th February 2015.

LAFATELE made note of the fact that foreign investors granted citizenship through the Bill will not have greater authority than the Alii and Faipule. He also referenced the Minister for Education's speech and of the fact that there is a need to expand Samoa's job market. He claimed that he personally promotes available lands in his constituency for the Government to lease for business ventures; an arrangement which is advantageous to both members of the constituency and the Government.

Mr Speaker, in response to the member for Alataua West's specific references to his constituency, stated that it has been 6 years since the lease of customary lands has been permitted. However, there is a general fear by investors that there is no guarantee of investments being beneficial.

viii. **AVEAU** referred to the “Mau Movement” and declared that it objected to foreign influence in Samoa and that the local leadership of the time declined the offer to be granted New Zealand citizenship.

The **Hon PRIME MINISTER** corrected the member’s comments regarding New Zealand’s administration of Samoa. He stated that they administered Samoa in accordance with a League of Nations directive.

AVEAU stated that under this agreement, Samoa would have been entitled to New Zealand citizenship.

The **Hon PRIME MINISTER** stated the law the member was referring to which granted automatic citizenship to Samoans was unknown to many. He claimed that public knowledge was raised when a Samoan woman challenged a deportation order resulting in a Privy Council ruling that all Samoans born between 1927 and 1949 to be granted automatic New Zealand citizenship. As a result of the case in question, Samoans became aware of their access to New Zealand citizenship which also resulted in a new arrangement agreed to by both New Zealand and Samoan Governments to change the existing provision in exchange for an annual migration quota of 1,100 Samoans who may apply to move to New Zealand and subsequently receive citizenship.

AVEAU then made note of the Amnesty Agreement of 1982 which resulted in the existing Quota (1,100 Samoans) permitted to travel to New Zealand which replaced the provisions in the Privy Council ruling.

The **Hon PRIME MINISTER** asserted that due to the Privy Council judgment, the New Zealand Government amended the relevant Act. This was done when the Samoan Government conceded to the restriction that only 1,100 Samoans be permitted to migrate to New Zealand in any given year. He then corrected the member and stated that the issue was that New Zealand changed its laws, not that the Mau did not agree with the provisions put forward by New Zealand.

The Hon Prime Minister further clarified references made to the Mau Movement. He stated that documented history refers to a Commission being established. The Mau Movement was not in fact a movement to counter New Zealand citizenship but rather to counter New Zealand's administration of Samoa as Samoa sought independence.

SPEAKER'S RULING: Mr Speaker ruled that references to Heads of Departments made by the **Member for Faleata East** be omitted from official records as the people in question were not present in the House at the time the remarks were made.

AVEAU continued by stating that the Bill should have clarified whether or not an investor with SAT\$4 million may enter the country with his or her family and set up their own businesses to be run by themselves therefore not creating any employment opportunities for locals.

The **Hon PRIME MINISTER** clarified that the issue the member referred to are clearly outlined in the relevant Regulations and policies and should not be laid out in detail in the Bill as it is the Principal Act.

- i. **AVEAU** then made note of the Hon Deputy Prime Minister's explanation of the 3 main objectives of the Bill.

The **Hon Deputy Prime Minister** supported the Hon Prime Minister's earlier remarks that the issues raised by the **Member for Faleata East** are not contained in the Bill. They will be covered in Regulations to be drafted later based on future Government policy decisions.

- ii. **AVEAU** then made reference to his opinion of why Yazaki started operations in Samoa, which it was due to the low minimum wage at the time.

The **Hon PRIME MINISTER** replied by stating that the Bill is open-ended and then clarified why Regulations are not discussed in the House. Regulations are referred directly to the responsible Ministry for discussion.

Mr Speaker noted that the matter raised by the member for Faleata East and stated that there are additional avenues for the discussion of Regulations.

- iii. **AVEAU** then made reference to the need for funds, for example for SROS research. He queried why the Government does not invest SAT\$10 million or so in local businesses for development.

The **Hon PRIME MINISTER** provided clarification to the member's query. He stated that the Development Division was later re-established as the Development Bank. The Central Bank of Samoa was established 1984 to ensure that banking matters were consistently administered throughout the country. This led to the establishment of Westpac and later ANZ in 1989. Now there are numerous banks in Samoa such as ANZ, Samoa Commercial Bank and the National Bank with plans for an

additional bank under a NPF or UTOS scheme. This proves that ample banking options currently exist in Samoa which may cater for Samoa's business needs.

iv. **AVEAU** suggested that the Government invest 40 million for local businesses and to offer a 'grace period'...

The **Hon PRIME MINISTER** reminded the member for Faleata East that we have Corporations such as Samoa Housing that can provide loans.

AVEAU then noted that the Samoa Housing Corporation are unable to provide SAT\$40 million loans to borrowers. He suggested that SAT\$10 million be set aside for the public to loan from in a separate account.

The **Hon PRIME MINISTER** stood to correct the member. He stated that the loan amounts available to business people vary according to the project proposal, budget and repayment capacity of borrower. Furthermore, under the Bill, investors will be brought in to aide further business developments similar to the opportunities offered by existing major companies such as Yazaki.

LEALAILEPULE interjected and asserted that the Hon Prime Minister had earlier stated in the House that the responsible Minister for the Bill is the Hon Deputy Prime Minister yet both of them are interjecting on the Member's speech.

AVEAU asserted that the Bill seems to imply that the Government has limited options in terms of acquiring additional national revenue; hence now resorting to selling off Samoan citizenship.

The **Hon PRIME MINISTER** asserted that the member's comments are false. The programme to be introduced by the Bill is a new programme and will create new job opportunities. The Lemana Group now constructing the Taumeasina Hotel will employ over 100 people from LEFAU Harry Schuster's constituency of Vaimauga West.

v. **AVEAU** predicted that in 10 years post enactment of the Citizenship Investment Bill, inter-cultural marriages will occur and more commercial lands will be bought by these investors as is the case with Vaitele township now.

The **Hon PRIME MINISTER** used Frankie (owner of the supermarket chain) as an example to clarify what he says is the senseless argument by the Member as Frankie is a foreigner who married a Samoan local lady. He did not acquire citizenship through any other means but through marriage. His businesses are also providing employment for many Samoans.

***Proceedings adjourned at 1:00pm
to reconvene at 9:00am on Friday, 20th February 2015.***