

**SAMOA LAW SOCIETY  
JUDICIARY AND LAW SOCIETY SEMINAR ON  
LAW AND ECONOMIC DEVELOPMENT  
31 March 2004**

Julius Caesar was a great general. He was warned to beware the IDES of March, and he failed to heed this warning at his peril.

Today is the last day of the month of March, I am privileged to have been asked by His Honour Chief Justice, Patu Falefatu Sapolu to open your Conference on Law and Economic Development.

His Honour and I were at Marist Mulivai Primary School together. We were both in Brother Patrick's famous 1964 Form 2 Class. The Speaker is planning our reunion. This one class has produced A Chief Justice, a medical doctor, five accountants (CPAs) and the current head of the electoral office. It also produced the heads of SLAC and Apia's Air New Zealand Office and a Deputy Prime Minister. His Honour duxed our Form 2 year, and his reputation in the Pacific region as a jurist is one all Samoans can be proud of. I have been kindly given copies of his two Papers to be delivered in this Conference, and if this standard is set, then it augurs well for the high standards of achievement this will establish.

Lord Denning, ironically in a ruling against the Government once said (1977):

*“To every subject of this land, however powerful, I would use  
Thomas Fuller's words over 300 years ago, “Be ye never so  
high, the law is above you”*

I do not intend to articulate the laws that deal with matters of economic development. I prefer to address the issue – “Does law have a role to play in economic development?”

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The answer is a resounding yes. However, the paradigm has shifted. In terms of attracting scarce overseas investments, the cat-phrase now is we must be FACILITATORS, not REGULATORS. In a recent global forum in Sydney, the World Bank advised me Samoa did not do too well in a recent survey of potential overseas investment destinations. It took too long to establish a business in our country. We need to take this criticism to heart, and take measures to deal with it.

This is a vital area where the Law Society and Government can work together. We recognise in spite of our tremendous record of growth and economic strength, we are not attracting sufficient Foreign Direct Investments (FDIs).

Aggie Grey's Resort, currently under construction, is a case in point. It is a very essential development, but apart from about \$4.5 million USD, it is almost totally locally funded. Why does that concern me?

My undertaking to the private sector is this:

“No entrepreneur with a bankable proposal, should be deprived of a commercial bank loan, by reason of their being no credit available”

In practice, this means government must ensure that investment by the National Provident Fund (NPF) for instance, does not mean NPF breaks fixed deposits with commercial banks, and thereby starves the private sector of vital bank credit.

I always like to quote that famous banker JP Morgan's definition of a banker. JP Morgan founded one of the world's greatest banks and defined a banker as “A person who lent money to people who did not really need it.” I preface my

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remarks above by saying that my promise to the private sector applies to bankable proposals! Sometimes banks have been known to advise a client they cannot lend to them due to liquidity constraints, when the real reason is they do not want to!

I challenge the Law Society today! Tell us how we can streamline procedures, we need to do more than pay lip service to being FACILITATORS – we must stop being regulators, and become facilitators. Believe me, for politicians and bureaucrats used to the old way of doing things, that is a huge transition in their basic thinking! However, a journey of a thousand miles begins with one step, and this Conference can be another significant step, along the path of our journey.

What is economic development? I prefer to approach this question from another perspective. How do I want to be judged as a Finance Minister?

This question is quite easy for me to answer:

“How does the bottom 5% live?”

There is an economic theory called the “trickle-down” theory which has been trashed by eminent economists such as Michael Todaro and others. Believe me. Not all growth trickles down to the lower echelons of society!

We must continuously ensure policies target the less well off, and the less privileged in society. This is the social conscience of economic policy. I am always saying that to announce that an economy has grown by 5%, when you

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know only the top 5% grew by 5%, is to announce your economic policies have been an abysmal failure.

This is the reason I unashamedly support fully the work of SPBD bank. They now have \$3.7 million worth of small loans for women. These loans not only encourage economic activity, they give dignity and self-esteem to women who can now earn a living for themselves! If you received my 2003 Christmas Card, you would note I featured the work of SPBD Bank in that card.

This is the same reason I unashamedly support the Small Business Enterprise Centre (SBEC), the Micro-Enterprise Project of the ADB, and all efforts to improve the health and education of our people.

This is the same reason I unashamedly support the work of Non-Government Organisations (NGOs) such as

Rotary and the Lions

Women in Business

Mapuifagalele

Flame

Lafitaga Trust

Mapusaga o Aiga

Fa'ataua le Ola

All the organisations who support the physically and mentally challenged in our Society

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Today, I challenge the Churches and Commercial sectors, as well as Government. By 1 January 2005, every Church, shop, and office building should be wheelchair accessible. We will pass a law, if this challenge is not met!

A Society that is aware of, and looks after its weak, is a Society that will thrive and prosper.

The late President J F Kennedy said *“If a Society cannot help the many of who are poor, it cannot save the few who are rich”*

Samoa’s challenge is to break the mould of what is happening in the world economy, where the EU, Japan and the United States subsidise their cows more than US\$2 per day, and 2 billion of the World’s 7 billion people live on less than US\$2 per day!

I wish to conclude by saying – Let’s get down to basics. Get our priorities right. Establish an economy that is fair for all. This is also in the best traditions of our Samoan culture, where all wealth is shared for everyone’s benefit.

I started with Julius Caesar, and a great class in 1964, under a great teacher, in Marist Brothers Mulivai. I conclude with words of one of the great Beatles hits of that same year:

*“For I don’t care too much for money  
For money can’t buy me Love”*

John Lennon/Paul McCartney  
Can’t Buy Me Love

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I wish you all well in your deliberations. It is great to be amongst fellow lawyers again!

God Bless you All

Misa Telefoni  
31 March 2004