

Reviews of American Samoa and Tuvalu are not included in this issue.

THE COOK ISLANDS, JULY  
1992 TO JUNE 1994

Political highlights of the two years under review included debates about the swelling government debt, highly critical audit reports, the extent of ministerial travel, and allegations of tax fraud and other malpractice in relation to the tax haven (politely known as the International Finance Centre), which enabled the New Zealand *National Business Review* to earn a bonanza from a three-part series advertised with a heading ten inches high promising on-the-spot investigative reporting about “illegal tax rorts, political corruption and [government] hotel construction cost blow-outs” in the “Crook Islands.” Although these and other issues were the source of much gossip, more important for most voters were the spin-off benefits (or costs) of these activities for them personally.

In the early stages, massive debt creates a buoyant economy with more employment than ever before, explaining why government debt, in the Cook Islands as elsewhere, tends to be unpopular in principle but popular in practice. Overborrowing is a process of stealing from one’s children and grandchildren, who are left with the obligation to pay back the loans. Neither governments nor voters worry much about that until it is too late, and the Cook Islands is no exception.

The government hopes (don’t all

governments?) that the debt will generate such high income that repaying it will be no problem. That is not going to happen, but it is possible that much the biggest and most controversial debt—that for the government-owned hotel known as the Sheraton (because it is hoped that Sheraton will manage it for the government)—might shrink. The loan came from Italy, guaranteed by the Italian government in order to promote Italian construction, but the Italian construction company is now in liquidation, its president indicted for Mafia activities, and the Cook Islands may not be obliged to pay back more than they have already paid (although this seems to be much more than the value of what has so far been done). Accusations and counteraccusations bounce off the empty shell of the hotel, which has only ever accommodated some escaped prisoners.

The government also hopes that a big bonanza will wipe out all debt and leave the Cook Islands floating in money for decades to come. This is a possibility, but how realistic is too early to know, though not too early for the possibility to affect current politics. What is known is that on the sea floor around the northern atolls, lie probably the richest deposits of cobalt, manganese, and other minerals, including some rare and very valuable ones, so far discovered in the world. The technology to lift them exists, but both that and the techniques of processing the material must be refined before exploitation will be economic. Some people feel that is decades away,

but other equally knowledgeable people think the basic breakthrough has been made and operationalizing it is imminent. Foreign firms are showing interest, though no one knows whether the process will be economic or who will get what shares of any benefit, or what the environmental, social, and other consequences will be. Meanwhile, the possibility influences the thinking of the public and the risk-taking behavior of politicians.

The twin engines of tourism and pearl culture generated growth in both the economy and employment during the two years under review. Tourism has been booming at a time when it has been relatively stagnant in most Pacific Islands countries. The political consequences of this growth (from 33,882 visitors in 1990 to 52,800 in 1993 and still growing) are as important as the economic and social impacts. The Cook Islands now has nearly three visitors per head of population, which is much the highest in the South Pacific (nine times the density of Fiji and five times the density of French Polynesia, which used to have the highest densities).

Cultured pearls now earn much more than all other exports together—another radical change that has also affected the location of wealth. Rarotonga used to have a very much higher per capita income than the outer islands, but now Manihiki, where the pearls are cultured, has vastly higher levels—though an amazing amount of it is consumed as alcohol. The largest new developments are of pearl culture on the neighboring atolls of Penrhyn (Tongareva) and Suwarrow, with some hope for the other atolls to enter this

field. Exotic lagoon and reef products also offer potential opportunities.

Many Cook Islanders were attracted back home by the long economic boom (an average growth in gross domestic product of 6.3 percent per year from 1983 to 1993—much higher than any other country in the region). This gave the Cook Islands by far the highest per capita income (US\$3900 per year) among Pacific Islands members of the South Pacific Forum, with the exception of Nauru. The Cook Islands level is now about eight times that of Tonga and Samoa, five times that of Papua New Guinea, and double that of Fiji. The academic world still regards what it calls the “small, resource-poor” countries of the Pacific as basket cases that can survive only with massive infusions of foreign aid (of which the Cook Islands gets relatively little these days, and which continues to decline as a proportion of government revenue). Most of academia still sees Papua New Guinea and Fiji as the only hopeful prospects, having not yet caught up with the fact that in the modern world initiative, skill (such as pearl culture), invisibles (such as tax havens and numismatics), and charm (as in tourism), are much more important than things in the ground.

The attraction to return home was reinforced by the economic downturn in New Zealand and Australia—where growth rates averaged about 1 percent per year for the same decade (and whence government officials and academics talk down to the Cook Islands about how to create economic growth). The downturn in New Zealand and Australia was accentuated

ated by a considerable loss of average earning power among the lower skill categories where most Cook Islanders were employed. Many who returned brought savings with them, and much of that has gone into a boom in home-building. A further incentive was that the New Zealand government agreed in 1993 to allow Cook Islanders who were receiving old-age pensions in New Zealand to be paid those pensions in the Cook Islands. These forces led to the biggest increase in population in the Cook Islands since the international airport was opened in 1974—the mid-1994 estimate of the national population is 22,286.

All these developments provided a propitious climate for business, and in the ten years from 1992 the number of registered companies nearly trebled (from 458 to 1217).

With a long period of unprecedented economic prosperity, more employment than ever, and more new things happening than ever, this was the perfect time for any government to go to the polls—especially as the boom was already over, but most voters did not realize that, and any awareness of it had been diluted by a “generous” pay raise, with back pay for the public service, which is much the largest employer.

The election of 24 March 1994 resulted in an apparent landslide victory for Sir Geoffrey Henry and his Cook Islands Party, increasing its majority from 18 to 20 of the 25 seats. Of the remaining 5, the Democratic Party won 3 and the Alliance 2. A by-election is to be held for the Rakahanga seat, but the outcome cannot change the overall picture much. The

extent of the victory could easily be misunderstood, because had the opposition remained united, the Cook Islands Party would have lost, having won most votes in only 12 of the 25 seats. Despite all the mayhem in the opposition, and the inadequacies of its leadership, the Cook Islands Party won only 54 percent of the votes cast.

The focus was on leadership more than issues, but only two of those on center stage were party leaders. Sir Geoffrey Henry was sitting comfortably on his throne, and Norman George of the newly formed Alliance Party was on the other side of the ring with a baseball bat to knock him off it, if he could not be dislodged with pushing, tugging, and spitting of fire. The third prima donna was Vincent Ingram, a sort of Lord High Everything Else. Although not a candidate himself this time, he was a prominent personality in the election—most prominent in areas where the public was losing large sums of money, though indications are that Mr Ingram was not! As another earlier unsuccessful aspirant to leadership of the Democratic Party, Vincent Ingram headed the two-man breakaway Demo Tumu Party that has cooperated with the Cook Islands Party in the past five years.

Vincent Ingram's power derived from the previous (1989) election, when the Cook Islands Party won only 12 of the then 24 seats and was enabled to govern by the two Demo Tumu members agreeing to “generally” support it. As their support was never guaranteed, and they declined a coalition, they were in a very strong position, particularly after they

declined cabinet posts in favor of such more lucrative alternatives as heading State Owned Enterprises. With many Democratic members of parliament going over to the government more recently, Ingram's support was no longer crucial. With his own standing reduced in his electorate and beyond, he wisely decided not to contest this election, and was appointed to a newly created post as high commissioner for the Cook Islands in Australia.

The Democratic Party was hardly seen or heard. It had been steadily disintegrating since 1987, when, in a coup one dark night, his "colleagues" ousted Sir Tom Davis as their leader and prime minister for the previous nine years. Because they had no one of his caliber to replace him, they could only hold office for the remaining year and a half of the parliamentary term. Following Sir Tom's demise, the Democratic Party had been led by two kindly doctors, first Dr Pupuke Robati (who became prime minister when Sir Tom Davis was deposed, but lost the next election), and then by Dr Terepai Maoate. As community leaders both are much respected, but top-level national politics is not the forte of either. They reluctantly came to that conclusion too, and at the last minute asked Sir Tom Davis to rejoin the party and lead it.

Sir Tom was 76 and, though still very active, had been out of politics for seven years and had turned his attention to reconstructing the past. He published a comprehensive autobiography (*Island Boy*) and a long historical novel (*Vaka*) based on the traditions of the canoe on which his mother's clan had come to the Cook

Islands from Samoa eight hundred years earlier. He then designed and built a replica of that canoe over a period of three years, largely with his own hands, and sailed it to Tahiti and other islands. He was just completing another historical novel about Polynesia, and was about to set sail for Tonga and New Zealand, when the party begged him to return and lead them. He made it clear that he was not keen to go back into politics but felt he could not refuse, though he told the party that they would have to do the campaigning. Very little was done by them or him; they all knew it was a lost cause.

Although the Cook Islands Party had begun the five-year parliamentary term without a majority, one by one the Democrats crossed the floor to join it, pulled by offers of various perquisites, and pushed by internecine wrangling in their own party. The remnant split, with Norman George, who also failed in his bid for the leadership of the Democrats, setting up the Alliance Party.

The election was characterized by revelations of scandals, allegations, and counter-allegations, highlighted by a black-covered *Book of Shame*, in which Mr George exposed cover-ups in relation to the new government hotel deal, excessive ministerial travel, nepotism and political favoritism, unauthorized expenditures, and irresponsible financial management. The accusations would have carried more weight were it not that most voters regarded Mr George as the worst offender in these activities when he was a leading minister. For example, a counter-advertisement noted that as a minister

during the four years 1985 to 1988, Norman George had cost the taxpayers CI\$356,263.28 in official travel costs. The public also knew that George's own financial management was in tatters as his business ventures collapsed one after the other.

On the Cook Islands Party side, Sir Geoffrey Henry has been innovative, energetic, and politically astute. He needed to be, because those qualities were not over-apparent elsewhere in his party.

This election had many unique features. It was the first to involve television, and Sir Geoffrey Henry, as a master orator skilled in the political use of television, won that war handsomely. Moreover, the television service is government owned and funded month by month; if the employees are not "fair" to the government in their reporting and time allocations, they know what is likely to happen to next month's budget. Norman George won the newspaper war (it is a private newspaper) with bold, brash, eye-catching advertisements exposing all the sins the government had, or might have, committed, and promising a government of pristine virtue instead.

Television seems to have reduced the extent of village meetings, which had been the focus of electioneering, and songs, specially composed for each election, were not nearly such a feature as in earlier years.

Another unique feature of the 1994 election was the first referendum ever held, on five questions. Although it was generally appreciated that the government put these questions to the public rather than deciding them, only 60 percent of those eligible voted in the

referendum, which was held at the same time and place as the election, in which 86 percent voted. The answer to all five questions was to maintain the status quo.

One question was whether to change the name of the Cook Islands to an indigenous name, which Sir Geoffrey Henry and the Cook Islands Party favored—with the name *Avaiki* as the most likely choice. Being widely scattered, the islands had no single identity and no common name before the 1800s. The Russian cartographer Krusenstern, sitting in St Petersburg more than a hundred years ago, found no name had been recorded for this cluster of dots on his map, and, being an admirer of Cook (who was *not* the first outsider to visit those islands, and who did not know that Rarotonga or many of the other islands existed), wrote "The Cook Islands." The name seems to have stuck, in the meantime at least, for it received 3984 votes, while a change received only 1723. However, the total of the two amounts to only half of the eligible voters, so many seem to remain uncommitted.

Another question was whether to change the flag from its present blue and white design, which won the competition for a flag, set by Sir Albert Henry, the first premier, and judged by a committee. Henry accepted the design, but changed the colors to those of his political party—green and gold. When the Democratic Party took power they reverted to the original winning flag, and the contention has gone on since. Although no party officially supported any position in the referendum, most Cook Islands Party activists advocated change, but it did

not come. The present flag “won,” though it received only 2805 votes to 2548 for its “opponent.” For the sake of national cohesion, we hope the flag issue is now settled.

The vote on the national anthem reflected a similar dispute. The present anthem was selected by another committee set up by Sir Albert Henry, but they did not know who composed the entries. After they had selected the present one, it was found to have been composed by the then leader of the opposition Dr (now Sir) Tom Davis and his wife Pa Tapaeru Ariki. Some Cook Islands Party members feel it is associated with Sir Tom’s political party. Unlike the flag, however, the anthem has not been a significant issue, and the present one, which is popular, won by 4623 votes to 1141.

The Cook Islands is unique in the world in that it has one electorate that is the whole world *minus* the Cook Islands. Called the Overseas Seat, it was set up to ensure that Cook Islanders abroad (and that is two thirds of them) would have some say in affairs back home, but a minor say. However, most of those abroad are not eligible to vote, because only those who have been home for an extended period within three years of the election can vote. The referendum decided to keep this seat by a comfortable margin of 3322 to 2554.

The last item in the referendum was the term of parliament. The prime minister favored the present five years, and got it, but only by putting three options on the ballot. Had he put two—the present five years or a shorter term—the voters would have opted for the shorter term by a big

margin, for a total of 3566 voted for a shorter term (either three or four years), and only 2559 for the longer term.

After the election, the economic slowdown became apparent. Many in the business community also feared that the government was about to unlink the Cook Islands dollar from the New Zealand dollar and that the Cook Islands dollar would drop in value. The prime minister gave an assurance that this was not being contemplated, but not all accepted that assurance, and the extent of the debt led to a lack of business confidence. Some NZ\$5 million (a lot of money for a population of 20,000 on modest incomes) left the country, causing a severe constraining of credit by the two commercial banks, which is likely to continue until 1995.

At the previous election there had been some pressure for women members, but few stood and none was elected. The 1994 election was going to be the time. But the pattern was repeated.

The social concomitants of the rapid economic and political changes have not been studied, but they are considerable. On the negative side they include the spate of arson attacks on government organizations and individuals; the massive increases in vandalism, vagrancy, juvenile crime, and domestic violence; and a boom in such life-style diseases of recent urbanization as diabetes, heart problems, sexually transmitted diseases, obesity, and malnutrition. Positive changes include substantial rises in higher education, skilled employment, indigenous business enterprise, the creative arts, and in

Cook Islands contributions to the Pacific region and beyond on a variety of cultural, economic, and political fronts. An exciting era lies ahead.

RON AND MARJORIE CROCOMBE

### FRENCH POLYNESIA

In 1994 the French Pacific Testing Centre entered its thirtieth year. Since its installation the center has played a central role in French Polynesia's economy. The last French nuclear test was held at Moruroa in July 1991, before a moratorium was declared in April the following year. The quest for alternative sources of income in view of a prospective permanent shutdown of the test program continues to be a priority for the territorial government. The year 1994 also marked the tenth anniversary of internal autonomy but, apart from a new development plan concluded with Paris, there appeared to be little to celebrate by the end of the review period. The government, as often in the past, was beset by allegations of corruption against its leading figures. In addition, Pape'ete was plagued by an environmental crisis brought on by the closure of the main rubbish incinerator serving the greater urban area.

Although the future of French testing remains unclear, there have been signs of progress toward a comprehensive test ban treaty. Testing by nuclear powers other than China was phased out between October 1990 (last Soviet test) and September 1992 (last US test). In 1994 negotiations over a comprehensive ban proceeded in Geneva with the aim of producing a draft

treaty by 1995. President Clinton committed the United States to extending its moratorium until at least September 1995. President Mitterrand proclaimed an indefinite extension of the French testing moratorium in January 1993. Later that year he went one better when he announced on French television that "France will not recommence the nuclear tests as long as I am here," but this promise could expire along with Mitterrand's mandate in May 1995.

Prime Minister Balladur, in a debate in the French parliament in May 1994, reserved France's right to resume testing. The French defense minister, members of the ruling coalition, and an influential section of the armed forces are concerned about the potential impact of a permanent test ban on the maintenance and modernization of France's nuclear deterrent. They have not as yet been persuaded that computer-simulated tests would be an adequate substitute for explosions at Moruroa. China presents another stumbling block for a comprehensive ban, as it has conducted three tests in defiance of the global moratorium since September 1992. There are fears that France may use the Chinese tests as a pretext for further tests of its own. Despite these obstacles and delays, there appears to be an inexorable move toward a comprehensive test ban treaty, which both China and France support in principle, in part because of concerns about nuclear proliferation. Testing in French Polynesia seems destined to be short-lived, if it resumes at all.

Since the French test moratorium was announced in April 1992 the