

The government's only reaction was to strongly condemn the tribunal for daring to say it might use its only power to make order and to warn Muriwhenua Māori that they should put aside any hope of being delivered justice as a result of their successful claims. That apart, its reaction was very similar to that for the 1996 *Taranaki Report*: muted, urging everyone to read the report but not subsidizing its publication so that the NZ\$100 price tag would ensure that only a few people would read it. In the meantime the government was desperate to get Muriwhenua claimants to settle without getting orders from the tribunal. This had less to do with the NZ\$60 million dollars in compensation and approximately 50,000 acres of land the tribunal could order to be returned to the Muriwhenua tribes, and more to do with the precedent it would set for other much larger Crown forests, where the compensation alone is worth between NZ\$7-and-8 billion. That would completely blow apart the ridiculously low NZ\$1 billion budgeted to settle all Māori claims, even though it is less than two years of the budget for the Social Welfare Department.

The government refused to provide either funding or resources to assist the tribes to prepare for entering into negotiations. Then in June the three children died in the fire in Muriwhenua, and the conditions of poverty in the area were put on display for the whole country to see. The government was severely criticized for allowing such conditions to continue to exist, but remained unmoved. The Muriwhenua tribes announced that they

were returning to the tribunal and would be demanding that urgent steps be taken to alleviate the poverty in Muriwhenua.

MARGARET MUTU

Reference

Brooking, Tom. 1996. Article in *New Zealand Herald*, 31 December.

NIUE

Following its victory in the 1996 elections, the government of Premier Frank Lui had little difficulty maintaining its majority in the Niue Assembly. This stability contrasted with the previous term's internal bickering, which led in turn to dismissals of cabinet ministers, challenges to the premier, the formation of the opposition Niue People's Party (NPP), and the lengthy deadlock in the Assembly (Levine 1996, 191-193). With only a small majority in the Assembly, however, the government's position remained precarious.

The death in October 1996 of Toeono Tongatule, one of the six Assembly members elected on the islandwide "common roll," gave the Lui government an opportunity to enlarge its majority. Tongatule had been an NPP supporter, and the party initially indicated that it would be supporting his widow, Mrs Tiva Tongatule, in its bid to retain the seat. If she had been successful, she would have been the second woman in the twenty-seat Assembly and the first woman NPP member.

As Niue's only political party, the

Niue People's Party pinned its hopes in the by-election on its ability to remain united. Unfortunately for the party, Terry Chapman—its former president, who had been an unsuccessful candidate in the general election—also contested the seat. In all, the 15 February 1997 by-election attracted ten candidates (as well as most of the island's voters) and was won by Billy Talagi, a former NPP candidate who had defected to the government weeks before the by-election. His majority over Mrs Tongatule was only 81 (275 votes, against her 194), and 9 votes less than Chapman's 90-vote total.

The Niue People's Party's numbers in the Assembly slipped further following the by-election. Common roll member Fisa Pihigia also left the party, and by mid-1997 its numbers in the Assembly had been reduced to 6 (Robert Rex, Jr, and five supporters), against the government's 14 seats.

Although the government's victory in the by-election was influenced by various factors, including family and personality considerations, its performance at the polls also reflected its activities since retaining office in the 1996 election. The government proceeded with efforts to upgrade Niue's telephone system, installing a cell-phone system around the island (paid for in part by drawing on the government's reserves). The cellphone network provides a better communications system, particularly for those living in villages on the eastern side of Niue. The cellphone system required the erection of two 60-meter-high cellphone towers, one at Makefu and the other at Avatele. To help pay for the project, Niue Telecoms had been hop-

ing to increase phone charges. At present, however, a mobile phone costs more than NZ\$500, and the telephone company already has its difficulties with outstanding accounts.

The program for sealing the cross-island road also continued, arguably of some relevance in the by-election, since the late Mr Tongatule had lived at Hakupu. The government was able to complete the paving of roads from the capital, Alofi, to Lakepa, Liku, and Hakupu (about 30 kilometers), making for a considerable improvement from the potholed coral it was replacing.

Perhaps the most important—certainly the most expensive—economic development during the 1996–97 year was the opening of the new 24-room Matavai Resort. Built with New Zealand financial assistance, the NZ\$3 million project (including cost overruns) was completed in September 1996. However, Niue's tourist industry remains weak; the week that Matavai opened, there were only six tourists on the island and the government-owned 32-room Niue Hotel stood completely empty. With both the Niue Hotel and the Matavai Resort, the Niue government could be said to be competing with itself: it holds 51 percent of the shares in Matavai. The resort was officially opened by the governor-general of New Zealand and of Niue, Sir Michael Hardie Boys, in April. Within two months, directors were describing the resort as facing financial problems, which they attributed to the high airfares charged by Royal Tongan Airlines (which has now been appointed Niue's national carrier).

For its part, Royal Tongan Airlines made possible the resumption of direct service between Niue and New Zealand, inaugurating Auckland–Niue flights in October, with air links to Niue through Tonga also being continued. An additional air service to Niue is being provided by Samoa Air, with flights from Pago Pago, American Samoa.

With completion in recent years of two major special projects (the airport resurfacing and extension, to accommodate 767 and fully-loaded 737 aircraft, and the Matavai Resort) large-scale funding from New Zealand was bound to be reduced. Budgetary aid to Niue was cut in mid-1996 by NZ\$250,000, to NZ\$4.5 million, with further funding available for special projects. At the same time, the government's budget predicted a deficit in 1997 of NZ\$329,000, despite major reductions in government spending (from NZ\$25.8 million in 1995–96 to NZ\$19.9 million in 1996–97). Most of the shortfall can be attributed to funding the cellphone system (requiring loan finance), a NZ\$250,000 subsidy to Royal Tongan Airlines, and supplementary funding for the Matavai Resort. The budget for 1997–98 anticipated spending of NZ\$20.5 million and revenue of NZ\$20.3 million. The prospect of another deficit (NZ\$200,000) comes at the same time as New Zealand continues to slice roughly the same amount from its annual aid package, which is expected to fall further, from NZ\$4.5 million to NZ\$4.25 million (with special-project funding remaining at NZ\$2.57 million). Attempts to trim the government's deficit at the expense of the

public service have been challenged. The president of the Niue Public Service Association, Maru Talagi (the director of Public Works), was suspended by the Public Service Commission after suggesting that members would discuss direct action if there were reductions in either staff numbers or salaries.

Niue's population has apparently continued to shrink—according to unofficial estimates—dropping to around 2,000 (from more than 2,300 in the last census, a drop of about 5 percent per year; Guest 1997, 3). Several families from Tuvalu have moved to Niue following an agreement between both governments. The families have been settled in Vaiea, following government refurbishing of homes left abandoned after the mass exodus of villagers in the 1970s. It is not expected that an intake of Tuvaluans will resolve Niue's chronic population problems.

While further improvements have been made at the airport—extensions to the international terminal, new check-in and baggage-handling areas, a more spacious and comfortable exit and entry to Niue—these are of little value if the tourists are not coming to the island. This failure to come is despite a considerable investment being made to attract them: comparing the amount spent by the tourist authority with the number of tourists, it appears that Niue is spending about NZ\$300 per visitor (Guest 1996, 4). In a typical week there are more consultants and volunteer workers on Niue than tourists. Between January and April 1997, only 137 tourists visited Niue (according to Niue's Department

of Statistics): enough to fill the government's two hotels for about a week. In an effort to place Niue more conspicuously on the map, the Niue Tourist Authority decided to change the island's slogan, "Discover Tranquility," to the more dynamic "Discover Adventure." Somewhat ironically, but in a show of integrity, the island's tourist operators objected, arguing that Niue's activities (apart perhaps from the dive shop) were not accurately portrayed in the new emphasis. Subsequently the Niue slogan—at least for tourist purposes—was changed to "Niue—the Rock of Polynesia."

The major challenge facing Niue has to do with expanding employment opportunities for its young people. A survey found that about half of the island's youth plan to leave, citing low wages and a lack of jobs, recreation, and freedom. The building of the cell-phone towers, the Matavai Resort, and the new alpaca quarantine station provided some employment opportunities, but these were necessarily short-term.

Many recent government-sponsored economic initiatives continue to flounder. The afforestation scheme (Levine 1995, 158) has slowed because of the lack of availability of leased land and reductions in aid funding. Niue's taro exports face tough competition in New Zealand from products from Fiji and Western Sāmoa. However, support has continued for efforts to expand coconut and taro exports, including the Moui Faka Niue taro export scheme, although price reductions have led to growers receiving less money than previously. Lower prices invariably lead to a reduction

in the number of bags of taro being exported (and the total revenue being received).

A more promising and innovative venture centers around the alpaca quarantine station, which was completed by Australian construction workers. The quarantine station is a privately funded NZ\$1 million project—apparently the first private quarantine station in the South Pacific—which will earn Niue around NZ\$250,000 annually. The area has the capacity to house roughly 1,500 alpacas, brought in from Peru, to be used for breeding purposes in Australia. The first planeload of 300 animals arrived on Niue in November. By early 1997, 600 alpacas had settled into their new home at Vaiea for at least twelve months before being taken to farms in Australia. Cattle and sheep have also been moved to the station to determine whether any diseases will be transferred from these animals to the alpacas. At the same time, the number of alpacas continues to grow, with around 500 giving birth since arrival, and a mating program was begun in February. It has been noted that the growth of alpacas is far outstripping growth in tourist numbers.

The project's apparent success has led to plans for Niue to be used as quarantine facilities for equestrian horses in the Sydney Olympics in 2000. All overseas entrants in the equestrian events would be flown to Niue, along with their handlers, providing business for Niue hotels and restaurants (and growers).

Another venture—the leasing of international telephone-code access lines—was less unambiguously suc-

cessful. Some embarrassment was felt when it transpired that at least some of the lines were being used for live sex calls. The codes had been leased by Asia Pacific Telecommunications and sold to companies whose calls were rerouted through Niue. Niue Telecoms contacted companies using lines for this purpose after callers using the sex lines misdialed and rang subscribers on Niue (in the middle of the night). After Niue Telecom's success in identifying companies breaching their contracts by using their lines for this purpose, the company's reported income from leasing was expected to drop substantially, from NZ\$2 million to NZ\$1.4 million.

Other government measures have focused on road safety, a concern of residents, visitors, and the New Zealand and Niue governments. Drunken-driving accidents are responsible for a significant proportion of the accidents requiring emergency flights to New Zealand for hospital treatment. While new legislation permits fourteen-year-olds to drive cars, the age limit for those driving trucks has been raised to eighteen, while bus drivers must now be at least twenty. It may be argued that even these age requirements make the abandoned tourist slogan, "Discover Adventure," worth a second look. Further legislation providing for breath testing and increased fines seems inevitable. Compulsory seat belts are also likely. These moves are largely a response to complaints from New Zealand about the high number of emergency air force medivacs (at a cost of around NZ\$1 million in 1996). About 50 percent of the patients evacuated to Auckland

hospitals had been involved in alcohol-related accidents. Niue's approximately 2,000 people have about 600 registered vehicles on the road. Unfortunately requests to foreign governments for financial assistance to build a new hospital on Niue have thus far been unsuccessful, reflecting the emphasis now being given by aid donors to projects likely to generate economic growth and capital investment.

Following the collapse of the government's prosecution of former Finance Minister Sani Lakatani (Levine 1997, 240), anticorruption and bribery laws were enacted by the Assembly. The new legislation closes a loophole in present legislation, and imposes prison sentences of up to fourteen years for bribery or corruption of judicial officers, cabinet ministers, members of the Assembly, police officers, and government officials. Ultimately all 26 charges of bribery and corruption were dropped against Lakatani, with the case costing the Niue government more than NZ\$250,000 in legal fees.

The government also introduced legislation of wider interest to the Pacific region. One measure was aimed at stopping the transportation and dumping of nuclear waste within Niue's two-hundred-mile exclusive economic zone. There are concerns that foreign vessels, loaded with nuclear waste, may be moving through Niue's waters. Niue also revised its fishing laws in an attempt to stop foreign driftnet-fishing vessels from working inside its waters. Fines for illegal fishing were raised to NZ\$250,000, and there is provision for Niue ob-

servers to board licensed vessels to check catches.

Niue has been considering a further modest expansion of its international organizational links. The prospect of joining the Food and Agriculture Organization does not appear to have elicited the enthusiasm that surrounded earlier applications to WHO and UNESCO (Levine 1995, 155–156). Given Niue's precarious economic position, the high cost of membership is an issue that needs to be considered against possible benefits to the island and its people.

A potpourri of ideas continues to be advanced on Niue in an effort to make the island more attractive to residents and overseas interests. Consideration is being given to establishing an English-language school for Chinese students. The government is also exploring the possibility of changing the dateline so that it will be in the same time zone as New Zealand. Niue is presently 23 hours behind New Zealand. About eighteen hundred companies have so far signed on to Niue's International Business Centre register. Income from these registrations and offshore banking is predicted to earn about NZ\$400,000 in 1997—less than originally anticipated, but still a significant contribution. There may be further privatization of some government activities, including corporatization of Telecom, Forestry, the Power Supply Services, and Water Supply. The sale of the Niue Hotel is also a possibility, assuming that there is a suitable purchaser.

Problems with Niue's wharf remain unresolved. The channel is still not deep enough to permit ships to tie up

at the reconstructed Alofi wharf, despite repairs following the damage inflicted by the New Zealand Navy (costing NZ\$700,000 to repair). Furthermore, the entire episode still leaves cargo ships in the position of needing to offload their produce onto barges. A feasibility study being carried out by the South Pacific Geophysical Agency is now underway to determine whether the wharf can be extended 20–30 meters. The extension would provide greater depth in the channel to allow cargo ships to tie up alongside the wharf. The US Government has given Niue NZ\$100,000 to assist with wharf extensions, which will probably be carried out by a US naval engineering unit (the "Seabees").

Although US Peace Corps volunteers contribute needed skills on Niue in several areas—information services, small business advice, accountancy, agriculture, and education—Niueans continue to advance in the professions. The government's appointment of twenty-two-year-old Peleni Talagi as Crown Counsel is particularly noteworthy, as she is the first Niuean woman to be admitted to the New Zealand bar. Another Niuean lawyer, Togia Sioneholo, is registrar of Niue's High Court.

Some may hope that the filling of such positions by well-educated, well-qualified young Niueans may encourage others. Many young Niueans studying overseas choose not to return. The overall cost of overseas tertiary education for Niuean students will vary, but those studying in New Zealand can expect to spend about NZ\$80,000 per person. While those on scholarship are "obligated" to return

for at least three years, this bond is often broken by graduates attracted by the prospect of higher paid employment in New Zealand and a more diversified, urban lifestyle.

Another appointment successfully avoided controversy. The director of education, Atapana Siakimotu, was appointed Niue's consul-general in Auckland, taking up the post in June 1997 for a three-year term. The appointment of his predecessor had attracted criticism, as it was the first appointment of a Niuean New Zealand resident to the position and the first time such an appointment had been made outside the Niue Public Service.

Niue's 22nd Constitution Day celebrations in October were subdued, with emphasis given instead to the 150th anniversary of Niue's first overseas trained missionary, Peniamina, trained in Western Sāmoa by the London Missionary Society. The commemoration took place during a period when many Niue residents were having difficulty meeting ongoing commitments: telephone accounts, broadcasting license fees, payments on mortgages, and other loans. Nevertheless there is a "hidden economy" escaping statistical measurement and the taxation system. There is a high volume of imports—NZ\$4.8 million for food and beverages and a further NZ\$680,000 for motor vehicles in 1996—and nearly a million dollars was spent on hair-cutting and ear-piercing ceremonies.

As noted, Niue has managed to develop some additional revenue sources in recent years, including international phone-access coding, fishing

licenses, quarantine station rental, and international business registrations. Yet its prospects still seem shaky, if not bleak: falling population numbers, a budget deficit, a minuscule tourist industry (notwithstanding major investments in the airport and in hotel developments, including funding for consultants and tourist promotion), and an overall lack of business and investment confidence.

STEPHEN LEVINE

References

- Guest, Stafford. 1996. *Niue Economic Review* 3 (5): 1–4.
- . 1997. *Niue Economic Review* 4 (3): 1–4.
- Levine, Stephen. 1995. Political Review: Niue. *The Contemporary Pacific* 7:155–159.
- . 1996. Political Review: Niue. *The Contemporary Pacific* 8:191–197.
- . 1997. Political Review: Niue. *The Contemporary Pacific* 9:236–242.

SĀMOA

The second half of 1996 to the first half of 1997 was dominated by issues relating to the by-elections following the general elections in April 1996, the ongoing court cases between the chief auditor and controller of finance and the government, the dispute between Vaiusu village and the government over land previously under the control of the Western Sāmoa Trust Estate Corporation (WSTEC), the passport scandal, and the country's change of name from Western Sāmoa to Sāmoa.