

Reviews of American Sāmoa, Niue, Tokelau, Tonga, and Tuvalu are not included in this issue.

#### COOK ISLANDS

This was a year of birthdays in the Cook Islands. The nation's first political party, the Cook Islands Party (CIP), celebrated its fortieth birthday in March 2004. By October, the Girl Guides, the oldest uniformed women's organization, commemorated seventy-five years of activity since its arrival in the country. And the Baha'i faith, the earliest non-Christian denomination to come into the Cook Islands, celebrated its fiftieth birthday. Also in October, the Child Welfare Association commemorated seventy years of service. The year also saw the continuation of a worrying population decline, unpopular political party switches by members of Parliament, cabinet reshuffles, land controversies, immigration concerns, and apprehension about economic development. High-profile personalities dominated the media, influencing election preparations, government actions, and policies. The dramas included convicted New Zealand business tycoon Mark Lyon; Ministry of Marine Resources Secretary Navy Epati; and Eddie Drollett, former chief of staff of the prime minister's department.

Efforts by Mark Lyon to seek sanctuary in Rarotonga attracted much attention, generating demands from the newly formed Concerned Citizens Group for an investigation,

as well as expressions of unease from the two major political parties and trenchant media queries about the circumstances surrounding his residency. In an effort to win public sympathy, Lyon issued an open letter to the people of Rarotonga, declaring, "I came here for the first time in 2002 and fell under your spell. I have since moved my family here, in the hope of sanctuary from the lifestyle I wish to leave behind. Given my past, I do not expect you to embrace me nor to invite me into your daily lives. I can only hope that, given enough time, you may see that I have learned to live by your example. Like you I want my children to do better in life than I have done, not to repeat my mistakes" (*CIN*, 17 Dec 2003, 3). Some 100 unconvinced demonstrators marched in the capital, Avarua, openly opposing Lyon's effort to stay in the Cook Islands, but the fiasco continued when he was granted twelve-month residency and a suspected "\$150,000 payout" was revealed. It was clear that the two major political parties did not support the government's actions in this regard: the Democratic Party condemned the government for granting Lyon the residency permit, and the Cook Islands Party demanded answers over related issues.

Rumors persisted that Lyon had given money to assist the Democratic Party in its reelection bid. This was never confirmed, but the local media did discover that Lyon had received \$100,000 of his money back, minus

\$50,000 that his lawyer, Norman George (also a member of Parliament), had reserved for legal coverage. Cook Islands Prime Minister Dr Robert Woonton's revelation that Lyon was one of several people interested in purchasing the on-again, off-again Vaima'anga (or Sheraton) hotel project only added to the debacle (*CIN*, 6 Dec 2003, 1). Amid all of this confusion, Lyon traveled to Mangaia on his "Miami Vice-style launch" and arrived unannounced, much to the annoyance of residents. He was asked to leave, but damage to his boat forced a two-week stay. To make peace with the Mangaia people, he donated a processor for the island's growers of noni fruit (*Morinda citrifolia*). However, such acts of "inspired" aid did not help Lyon's situation. After meeting with citizens concerned about Lyon's lifestyle and influence on others, and reviewing allegations of pornography, drug use, and assault, the prime minister finally withdrew his support and banned Lyon from reentering the country (*CIN*, 16 Jan 2004, 1). Only months after calling them wonderful and inspiring, Mark Lyon branded the people of the Cook Islands "boring as hell" (*CIN*, 12 Feb 2004, 1).

Lyon shared the media limelight with Navy Epati, head of the Cook Islands Ministry of Marine Resources, whose ownership of a fishing company generated suggestions of conflict of interest. Epati had a 70 percent stake in Te Maroro Fishing Company Ltd, a commercial fishing venture he had set up in May 2003 while head of the marine resources ministry. He also owned half of a fish processing company. Members of the fishing

industry later charged that Epati's chartered vessels were flouting rules he was supposed to be enforcing. The crews of Korean vessels named *Chong Myong 701*, *703*, and *705* brought in by Epati's fishing company were accused of several irregularities, including illegally transshipping fish—transferring catches from one boat to another without registering them (*CIN*, 9 Dec 2003, 1). Eventually Epati quit his ministry post over integrity and credibility issues.

Another personality receiving national political attention during the year was Eddie Drollett, former chief of staff to the prime minister. After lengthy court proceedings, Drollett admitted to illegally receiving \$25,000 of taxpayer money while he was working in the Office of the Prime Minister (*CIN*, 2 July 2003, 1).

Although Parliament had relatively few sittings, it was a busy if not agonizing year for some of its members. In July, Teina Bishop resigned as member of Parliament for Arutanga/Reureu/Nikaupara, Aitutaki Island, expressing disappointment over the budget and the inadequate allocation for Aitutaki. In August, Geoffrey Heather won the parliamentary seat for Ruaau, Rarotonga, replacing his wife Maria, who had died earlier in the year. Just days after winning the election, Heather was appointed undersecretary to the prime minister, giving him an extra \$15,000 a year. In September, the overseas seat occupied by Dr Joseph Williams was abolished, effective the date of the upcoming general election.

Visitors to the Cook Islands included Governor General of New Zealand Dame Silvia Cartwright and

New Zealand First Party leader and former Deputy Prime Minister Winston Peters. Meanwhile, political undercurrents continued with constant realignments in allegiance—seemingly based on personal gain—much to the disappointment of most Cook Islanders. Teariki Heather, founder of a new political party, National, joined up with the Cook Islands Party as part of a personal effort to win a seat in Parliament. In the process he shifted his intended constituency from Ruauu to Akaoa in Rarotonga, displacing Keu Mataroa, an already elected CIP candidate. Mataroa subsequently abandoned support for his party in favor of his former opponent.

By November 2003, Dr Woonton had become the new leader of the Democratic Party, and efforts at unifying the various factions within the party received much support. The goal of winning the upcoming election, scheduled for September 2004, was a strong driving force. However, an attempt by some factions of the Democratic Party and the Cook Islands Party to unseat Prime Minister Woonton backfired, and two ministers (Dr Terepai Maoate and Tangata Vavia) were obliged to resign. The leadership struggle within the Democratic Party continued into 2004. At the last party conference before the general election, Maoate fought off a challenge by the prime minister to become the Democratic Party leader by a 26–24 vote. A new Maoate faction now in control of the party initiated efforts to make life more difficult for the continuing Woonton government by challenging constituency MP seats where possible.

Their prime target was lawyer Norman George—considered to be the “kingmaker” because of his pivotal role in all government coalitions to date. Businessman Eugene Tatuava was put forward as the Democratic Party candidate at the September 2004 general elections in the Tenga-tangi-Areora Ngatiarua Atiu Island constituency, even though George was the incumbent. George described efforts to oust him as the work of “a small breakaway of Demo fundamentalists” (*CIN*, 4 March 2004, 1), but the pressure eventually forced him to become an independent candidate. The looming September 2004 election encouraged other new developments. Joshua Ngamatau founded a new Republican Party to enter the 2004 general election, although it seemed to be offering candidates only on the island of Aitutaki. And in spite of public pressure to create more party loyalty, the cabinet resisted reform efforts. It appeared to the general public that the cabinet wanted members of Parliament to continue changing parties without penalties.

Lack of penalties also emerged as an issue at the regional level. The Cook Islands has always willingly committed trained personnel and financial resources to the South Pacific Regional Environment Program (SPREP), based in Sāmoa, and even provided its first administrative head. So the dismissal of senior SPREP officer I’o Tuakeu-Lindsay came as a surprise to many. A former Cook Islands Environment Services director and a well-known hardworking professional, Tuakeu-Lindsay was one of two women sacked by SPREP Director General Asterio Takesy. She and the

other woman, a Samoan, accused Takesy of sexual harassment (*CIN*, 17 March 2004, 1). The Samoan government expressed displeasure at Takesy's actions and demanded an investigation, but the Cook Islands government showed little interest. While Takesy may have had legitimate reasons for his actions, the lack of follow-up from the Cook Islands undermined an opportunity to clear the matter appropriately.

Perhaps Cook Islands government interest was more focused on regional security and national developmental issues. At the 2004 Pacific Islands Forum meeting, the prime minister expressed support for the idea that the Forum Island countries create stronger and deeper links. Other issues considered important included environmental concerns, transport links, role of women, decision-making, elimination of domestic violence, human rights, and the needs of youth. Forum leaders agreed that the Pacific should (1) assess options and provide for deeper and broader regional cooperation, taking into account the wider international agreements in which forum countries participate; (2) identify areas where resource-sharing and policy alignment would yield the best results for the region; and (3) provide clear recommendations to leaders on the sequence and priorities for intensified regional cooperation (*CIN*, 7 April 2004, 1).

The return in 2003 of three Cook Islands policemen who served in the Regional Assistance Mission to the Solomon Islands (RAMSI), and the commitment of more Cook Islands personnel, marked an important element of Cook Islands regional participation. The Cook Islands does not

maintain a military force, and the involvement of its police force in a regional defensive role was a challenging and historical step. An incident in Holland also brought worldwide attention to the Cook Islands and its police when a visiting Dutch citizen, Karen Harvey, requested Cook Islands police protection from underworld gangs in Holland. Her husband had been arrested by the Dutch police for kidnapping a millionaire's seventeen-year-old son and demanding a \$19-million ransom. Harvey claimed that her husband had been forced into the crime by an underworld gang (*CIN*, 19 Dec 2003, 1).

During the year under review police began using radar traps to counter speeding on the road, and businessman Teanaroa Worthington appeared before Justice Norman Smith for smuggling shoes in from Hawai'i (*CIN*, 9 July 2003, 1). Well-known writer Alistair Te Ariki Campbell returned to the Cook Islands to visit his home island of Penrhyn; Janice Nicholas became the latest local woman to win the Miss South Pacific title; and Pukapuka held its third annual global conference for people from that island.

Hundreds attended the funeral of Niki Smith, daughter of wealthy businessman Ewan Smith, the owner of Air Rarotonga (Air Raro). The tragic motorcycle accident in which she died highlighted an ongoing problem with drinking and driving on the roads of Rarotonga, and the lack of an efficient first aid accident response capacity. The accident precipitated major efforts to begin an air ambulance "angel" service.

Another incident that had wider

ramifications involved rugby, the country's national sport. Referees had lodged a complaint with the Cook Islands Rugby Union over an incident in which player Tu Potoru had splashed water on referee Simiona Teotu while Junior Areai had struck the match official with his hat. When the Rugby Union dismissed the complaint, the Rarotonga Referees Association expressed their disappointment by calling a historic boycott of the annual Town and Country games.

A conflict over the Pa Ariki and Makea Ariki chiefly titles in Rarotonga, and over various subchiefly titles, suggested that monetary interests linked to land were taking precedence over traditional concerns with family and sharing. Another paramount chief on Rarotonga, Tinomana Ruta, had already leased out several blocks of land in her capacity as Ariki, often over the strong objection of legitimate landowners.

The increased involvement of the Chinese government in major development projects was very obvious during 2003–2004. A multimillion-dollar Chinese commitment to the construction of the Cook Islands Ministry of Justice offices and courthouse in Rarotonga drew much interest on the island. Awareness was amplified when work finally began on the downtown courthouse on 29 October 2003, with about forty imported Chinese government workers assisting in the construction. People's Republic of China Premier Wen Jiahao told visiting Prime Minister Woonton, "China is ready to enhance friendly relations with all South Pacific nations including the Cook Islands." He declared that "by providing the Cook Islands with assistance China had gained

economic and social benefit from it." Wen also expressed appreciation for a Cook Islands commitment to the one-China policy. Other discussions focused on a \$4.8-million Rarotonga courthouse, as well as a new police station that the Chinese offered to fund and build. The Cook Islands prime minister expressed appreciation for China's equal treatment of small countries such as the Cook Islands (CIN, 29 April 2004, 1).

Chinese interest in the Cook Islands extended to the private sector. A Chinese company (privately owned but headed by a government official) placed a bid to take over the export of black pearls from the Cook Islands. The value of pearl exports had dropped from \$18.3 million in 2000 to only \$6.4 million in 2002 (CIN, 21 July 2003, 1). China offered to pay \$40 to \$50 apiece, compared to Japan's current purchases at \$30 apiece. That interest has yet to materialize.

In August, a New Zealand surveillance plane spotted two fishing vessels, suspected to be Taiwanese longliners, inside the exclusive economic zone of the Cook Islands. A month later, the fishing vessel *Young Duk* ceased operation due to mechanical problems and the financial difficulties of its owner, making it the second vessel to sit idle in the main harbor of Avatiu (CIN, 29 Sep 2003, 1). By October, the *Mabr-Leena*, another fishing vessel operating out of the Cook Islands, had gone into receivership (CIN, 20 Oct 2003, 1), and in February 2004 the *Walara K* tried to leave the country without settling outstanding debts. To make matters worse, fishing giant Sealord pulled out of the Cook Islands only nine months

after declaring itself the leader in the development of the fishing industry there. Hawkes Bay Fisheries also withdrew from the country. Representatives of both companies declared that the strong value of the New Zealand dollar affected the price of catches (*CIN*, 10 April 2004, 1). In response to these developments, Temu Okotai, a leading Cook Islands businessman, called for the Pacific region to regulate the price of tuna in overseas markets—by catching less. “Catch rates are calculated on what is sustainable, but I think there’s another measure and that is how much fish is needed to get a decent return” (*CIN*, 19 March 2004, 1).

Unlike the fishing industry, tourism continued its strong development. New Zealand and Europe still represented the strongest tourism markets for the Cook Islands. By the end of October 2003, some 21,104 New Zealand tourists had visited, followed by United Kingdom/Europe with 17,623, and Australia with 8,810. Interestingly, of those coming from New Zealand, 2,090 were actually Cook Islanders living in New Zealand—a reminder that many more Cook Islanders live in New Zealand than in the Islands (*CIN*, 30 Dec 2003, 1). However, only 17,067 tourists came during the first three months of 2004, a reduction of some 1,143 compared to the same period in 2003 (*CIN*, 18 May 2004, 1).

Although most visitors stayed in Rarotonga, an increasing number visited the outer islands, particularly Aitutaki. In an effort to further expand the visitor industry in Aitutaki, a new international airport opened there during the year. How-

ever, the huge expenditure on the airport attracted much criticism. Most critics saw it as an excuse to assist the privately owned Air Raro at taxpayer expense. The newly sealed runway dramatically reduces the maintenance costs of Air Raro, and there is apparently little possibility that global carriers will use the Aitutaki “international runway” on a regular basis.

Tourism development in Aitutaki underlines the need to control operators and monitor environmental impacts. In July 2003, a tour boat visiting the smaller island capsized, injuring several of its passengers. The island council began to look at new bylaws to regulate such activities. A proposed Captain Cook Hotel development for Aitutaki was also heavily criticized for its potential impact on the environment. The development of necessary infrastructure, including systems for solid and liquid waste disposal and water supply, has not kept pace with tourism development projects, which seem to be spiraling out of control.

Such environmental concern is also evident on the main island of Rarotonga, where most tourists visit. Calls for a full environmental impact assessment were not uncommon during 2003–2004, and the need for such studies was validated by the reported erosion at the Rarotongan Resort, one of the oldest and largest accommodations on the island. Increased tourism has generally placed a strain on the Rarotonga resources, but problems with pollution, water, and general infrastructure have not dampened the government’s drive to increase the volume of tourist traffic into the Cook Islands. Royal Tongan Airlines

inaugurated service during the year, although their regular flights did not last long. Air New Zealand and Aloha Airlines continued their Cook Islands operations while the viability of a national airline was again considered. Pacific Smart Saver fares were available on Air New Zealand flights to New Zealand, Fiji, and Australia, offering up to 35 percent off the regular economy fare. Although the fare cuts were designed to increase tourism, there was concern that they would also add to an already massive out-migration of Cook Islanders.

Ironically, as the growth of tourism increases job opportunities, more Cook Islanders have been leaving the country. Undaunted, the government has tried to meet the needs of tourist-related trades by establishing training schemes. The signing of a memorandum of understanding between the Cook Islands Hospitality and Tourism Training Center and the University of the South Pacific Institute of Technology was seen by Prime Minister Woonton as a historic step. It allowed for a large number of training schemes designed to create jobs and stem the outflow of young people. Nonetheless, the high cost of living in the Cook Islands, relatively low wages, and increased demand for cheaper contract labor from overseas continue to discourage locals from staying.

The growing tourism industry also impacts the environment in a variety of ways. In a historical legal action, Gerald Garnier and his wife Marie-France Cowan were granted occupation rights on Motu Tapu, in spite of strong opposition from the community and many landowners (*CIN*, 12

March 2004, 1). The incident raised fears about anticipated damage to this particular motu (small island) from human settlement, the growing inaccessibility of what was once available to the extended family and other people, and the impact of the decision in setting a precedent in Rarotonga.

The people of Rarotonga have also been concerned about environmental issues not caused by human activities. These included toxins thriving in Muri Lagoon and an unidentified problem in the waters close to the village of Titikaveka, which has caused health problems and reduced the number of visitors to the area. These problems prompted the Taporoporo Ipukarea Society to call on government to ratify the UN Stockholm Convention, which is designed to address the problem of organic pollutants—the suspected culprit in Titikaveka.

The Cook Islands remained on an international money-laundering blacklist. By 4 June 2004, in the Cook Islands and elsewhere, operators of offshore companies, banks, insurers, and trust accounts must make full disclosures and comply with the same procedures and principles (*CIN*, 28 Feb 2004, 1). A new law removing certain protection provisions in offshore banking operations was adopted, moving the country toward compliance. New Financial Action Task Force rules call for information on the capital adequacy of offshore institutions, detail prudential requirements, as well as on-site inspections and a physical presence. A top-level Indian politician is among those rendered vulnerable by the new requirements. Parkash Singh Badal, former

chief minister of the Indian state of Punjab, has been under scrutiny for allegedly laundering millions of dollars through the Cook Islands (*CIN*, 16 Oct 2003, 1). The country's offshore banking industry is also implicated in the disputed takeover of English premier league soccer club Chelsea by Russian billionaire Roman Abramovich for \$388 million. An investigation revealed that the Cook Islands-based company Ceranites held five million shares in the Chelsea club (*CIN*, 29 July 2003, 1). In yet another incident, the state-owned Bank Negara Indonesia was swindled out of US\$300 million by two exporters who were reportedly given loans using letters of credit issued in Kenya, Switzerland, and the Cook Islands (*CIN*, 13 Nov 2003, 1).

During the year, government pursued other, new revenue-generating activities. In an effort to raise funds locally for the Aitutaki airport runway upgrade, the government tried to implement a \$20 landing tax for flights between Rarotonga and Aitutaki. The tax proposal proved very unpopular with Aitutaki residents, who pointed out that the landowners at the airport site were not compensated, and that most residents had not requested the project in the first place. The proposal was eventually scrapped, but as much as \$20,000 had already been expended on preparing Rarotonga airport and buying thousands of "free paid" stickers for the proposed Aitutaki landing tax (*CIN*, 2 Oct 2003, 1).

The Cook Islands government acknowledged that the cost of living increased by 2 percent in 2003. (Inflation is measured by checking the prices of various goods in the

consumer price index [CPI] and shows how quickly prices are rising.) The highest increases came in the housing category (including rents and maintenance costs), which jumped by 4.2 percent, and in miscellaneous goods and services, which rose 5.15 percent (*CIN*, 24 May 2004, 1). The inflation problems faced by the average Cook Islander were exacerbated by overpricing in many stores. Four months after the price order came into effect on 26 February 2004, price inspector Helen Maunga said that "most of the 46 shops visited so far were found to have breached the price order" (*CIN*, 28 May 2004, 1).

During the year, the Asian Development Bank (ADB) announced two loans totaling US\$5.3 million for the country over the next three years. The loans were to fund improvements to the power supply on Rarotonga, as well as water projects on Aitutaki and Rarotonga (*CIN*, 15 Aug 2003, 1). A number of factors, including the Iraq war and the Severe Acute Respiratory Syndrome (SARS) scare, caused the bank to revise its projection of overall economic growth downward from 3.2 per cent to only 0.2 percent (*CIN*, 7 Oct 2003, 1).

The ADB readjustment underlined the vulnerability of small economies such as that of the Cook Islands. While the politicians continued to portray an image of economic success, boasting that there were more jobs available than there were job seekers, most locals were emigrating out of the country, and the number of foreign workers taking up positions continued to increase. The growing number of foreign permanent residents who are automatically eligible to participate fully in parliamentary

elections suggests a potential for dramatic changes to the judicial system and land laws. Unless such issues are addressed, the future for the ethnic Māori of the Cook Islands looks uncertain.

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### FRENCH POLYNESIA

Two overriding issues stand out in the past year or so in French Polynesia: another change of statute, this time to a supposedly more autonomous “overseas country” of France rather than an “overseas territory,” and a surprising assembly election in May 2004, which ended the twenty-year reign of Gaston Flosse as president and brought into office his longtime pro-independence rival, Oscar Temaru. No local leader, however, can easily escape the harsh reality of severe economic dependency caused by the introduction of nuclear testing in the 1960s. French military spending distorted the communal Polynesian society and created a middle class that fed on French-subsidized government jobs and patronage and enriched itself through corrupt business monopolies and real estate investments at the expense of the laboring majority.

French Polynesia, whose capital Papeete is on the populous main island of Tahiti, is still in quest of a post-nuclear economy, since French funding for the former Centre d’Experimentation du Pacifique (CEP)

ended in the late 1990s. France continues to transfer massive aid for development, as much as US\$1 billion a year (*PIR*, 26 Aug 2002). Flosse built himself a monumental presidential palace that houses “623 employees and courtiers” and invested public money in many grandiose projects in Tahiti and overseas, but Temaru’s demand for a referendum on independence is necessarily tempered by a vision of ongoing French subsidies and compensation for the impact of nuclear testing. Editor Alex W du Prel of *Tahiti-Pacifique Magazine* called the situation a “social and economic fiasco” due to “cut and paste programs prepared in Paris for a great industrial country, which French Polynesia is certainly not.” The Flosse administration, which du Prel said encouraged only a “consumer society of privileges, of ecological looting and corporatist castes [and] above all made the rich more rich and marginalized the part of the population that remained authentic,” at one point even asked the local people for “fresh ideas” (*TPM*, July 2004).

The number one local industry remained tourism. In 2003, the number of visitors was over 200,000 (nearly equaling the local population), which represented a recovery from the negative impact of the events of 11 September 2001 on air travel. North America, and mainly the United States, provided the largest number of visitors, with 77,000 or 40 percent of the market (and also the largest single increase over 2002, about 25 percent); it was followed closely by Europe, with 74,000 or 38 percent of the market; then Japan with 20,000 (10 percent); Australia, New Zealand, and New Caledonia with 16,000 (8