COOK ISLANDS

The ruling Cook Islands Party strengthened its political position during the period under review. The defection of the member of parliament for Manihiki, Ben Toma, from the opposition to a government ministry, gave the government the two-thirds majority needed to change the constitution. The first changes were made in May 1991, and included provision for one more cabinet minister (to fit Ben Toma in) and one more electorate (in Arorangi, where the ruling Cook Islands Party holds the seats). For a national population of 17,000, the eight ministers, six assistant ministers, speaker, deputy speaker, and leader of the house, among the twenty-five members of parliament, all with comprehensive support services, constitute a significant tax burden. More constitutional changes are expected later in 1991.

Provision was also made for the further politicization of the public service, by making more posts the prerogative of the ruling party rather than of the (at least nominally) independent Public Service Commission. The case for this is that some long-serving staff suffer from inertia, or political incompatibility, and hiring personnel on contract assures the government that its policies will be implemented. Implementing the philosophy creates enough problems in a country like the United States of America, where the proportion of the population who depend for employment on the persons they elect is quite small. Even there, critics allege that the purpose is not to improve efficiency, but to enhance political leverage. In a very small country in which the government is by far the largest employer, and on most islands almost the only employer, it gives a government the potential to retain tenure by intimidation—a technique used by Premier Albert Henry in the 1970s.

The opposition fell further into disarray. Former Minister for Foreign Affairs Norman George, who has been the most active member of his party since the ousting of Sir Tom Davis in 1987, is seeking party leadership at the forthcoming party congress. If he succeeds, it remains to be seen whether he can command public support. Yet another of the remaining eight opposition members of parliament is rumored to be preparing to cross the floor.

Fallout from the election of early 1989 continued, with supporters of the opposition weeded out of government-funded posts and government supporters phased in to those or other newly created posts. This process is most noticeable on the outer islands where employment is very limited. Many who are on the losing side leave the country, a process facilitated by the free access Cook Islanders have to both New Zealand and Australia. For example, most opposition supporters on the isolated atolls of Pukapuka and Penrhyn are reported to have lost their jobs, and many have emigrated. Many Pukapukan who remained at home found themselves reclassified for a time as “children” (and thus not entitled to participate or share as adults in various activities)—a customary Pukapuka method of disciplining those who deviate.

Despite the tensions between supporters of various political factions (and tensions within the factions),
there are generally effective working relations with those of other persuasions. And love can surmount all political barriers—as when the daughter of the prime minister fell in love with the son of the leader of the opposition.

Administratively, the country heard a rhetoric of less government (and more private activity), but saw a reality of government taking more power. The concentration is in the hands of the prime minister, whose ministerial portfolios include finance, planning, customs, foreign affairs, tourism, law, public works, the legislative service, and arts and culture.

The Cook Islands News (circulation 1500) was privatized, but at the same time government established a vastly larger, more influential, and more costly medium—the country's only television channel. Broadcasting is a responsibility of the prime minister. A special tax was levied to help meet its operating losses.

A national advisory board was set up, with full-time staff, a licensing authority, a ministry of culture, and a new division of the ministry of planning, all directly under the prime minister. (The ministry of planning and economic development has a staff of about two per thousand of the national population—a higher ratio than in the Soviet Union at the height of communism). In March 1991 it was announced that a local government was to be established for the main island of Rarotonga (population 9000), where the central government and its staff of nearly 2000 are already located.

When the Cook Islands Library and Museum Society was formed in 1961, it was given land by Makea Ariki, and a structure was built. As is common in cultural matters, the society provided the structure, books, minor funding, and a voluntary elected executive, while the government paid for the full-time staff. This operated for many years to the satisfaction of the community, but early in 1991 the prime minister announced that he wanted the facility placed under the ministry of culture, of which he is minister. There was no point of contention other than that of control by government or community. When the society disagreed, the government withdrew the staff to office jobs in the ministry of culture. The Library and Museum Society plans to try to keep the facilities open using volunteer workers. The government will build another library and museum on government land if the society does not yield its land, buildings, and assets to government control.

Cable and Wireless Ltd's fifteen-year contract to operate the external telecommunications service was due to expire in 1995. In June 1991, however, the government passed emergency legislation to compulsorily acquire the service, having given the company one day's notice, with handover at the end of the month. A new corporation was set up with 60 percent government and 40 percent overseas shareholding. There are concerns that investor confidence may be impaired by the government's forced breaking of a major agreement.

The economy was reasonably buoyant, in contrast to that of many neighboring countries. Tourism, the main source of national income, increased by 4 percent in 1990 over 1989. The first half of 1991 saw further growth.
Hong Kong decided to accept companies registered in the Cook Islands for listing on the Hong Kong Stock Exchange—a privilege granted to only two other countries. It will bring considerable additional business to Rarotonga (now worth perhaps US$6 million in fees, taxes, services, salaries, and so on).

Pearl culture at Manihiki Atoll reached its first marketing season, which was successful, although prices were lower than expected. It is expected to bring in about US$8 million. United States government aid is funding research on pearl culture at Suwarrow Atoll. The making of the film *The Other Side of Paradise*, starring Jason Connery, was expected to pour US$1 million into the economy. The number of registered vehicles grew to 4534 for Rarotonga's 9000 people, although most "new" vehicles are reconditioned Japanese imports.

As with New Zealand's Think Big policy of the 1970s, which generated euphoria at the beginning and anguish at the end, some of the Cook Islands growth is based on government borrowing for the next generation to pay back. The per capita level of government debt, minimal five years ago, is now among the highest in the world and rising. Even though much of it is on concessional terms, it has to be paid back if the country is to retain international credibility. Many countries have found that borrowing can become addictive, and once it gains a certain momentum, it becomes difficult to keep under control.

Direct government involvement in the hotel industry has never been encouraging. The government paid US$17 million to a failing Italian construction company before a contract and performance bond were finalized. The contractors walked out leaving a hole in the ground and piles of deteriorating construction materials. New contractors were commissioned and another US$12 million borrowed.

Various attempts to sell off other government hotel assets failed to materialize. The new "owners" of the Rapae Motel were given possession and ran the hotel for nearly a year, but contrary to the commitments, paid nothing. The two other government hotels remain unsold. The government was negotiating purchase of a long-abandoned hospital in New Zealand as an investment.

The French loan to upgrade the electricity supply has come to much more than the planned US$8 million. The Asian Development Bank loaned US$4.9 million for telecommunications upgrading, and are considering US$3 million for education and more for other fields. Further loan funds have been negotiated from Export Credit Finance of Australia for telecommunications developments, and US$12 million is being sought for a major cultural center, to be ready for the Festival of Pacific Arts in 1992.

The government is banking on repaying the loans from bonanzas that may or may not materialize. The largest is the exploitation of minerals on the sea floor of the exclusive economic zone. At present world prices, the volume there could bring in enormous wealth. But once seabed minerals come onto the market, they may depress the prices drastically. Also, the technology to retrieve the minerals is exceedingly expensive, and nobody knows what it
will bring to countries like the Cook Islands. Other countries also have minerals in their exclusive economic zones (but the Cook Islands concentrations are particularly promising), and investors will look first at possibilities outside the exclusive economic zones.

In international relations, the Cook Islands continued to maintain a high profile, and the prime minister to play a prominent role, relative to the size and bargaining power of the nation. Relations with France improved, with French navy jets helping to patrol the Cook Islands exclusive economic zone in cooperation with the Cook Islands patrol vessel Te Kukupa. In addition, patrols by Australian and New Zealand aircraft continued. The real cost of patrolling is far beyond the income the nation earns from fisheries licenses. The viability of patrols is hampered by internal political influences on the location of fuel depots. A draft treaty with France will include such patrols, as well as economic and cultural cooperation. French navy jets continue to fly mercy missions from the Cook Islands to Tahiti—which has the closest major hospital.

Of the many international meetings held in Rarotonga during the year, the one that could have the greatest long-term impact was the United Nations meeting for the Pacific region on the Convention for the Elimination of Discrimination Against Women. Women have advanced tremendously in business, the professions, education, and land matters. But in religion and politics they remain “in their place,” with the leaders in both fields constantly reminding them that God gave these two fields for men alone. If it was His will, Cook Islands women may now be ready to help Him rethink His position! This meeting, attended by women ministers, senior executives, academics, community leaders, and a senior judge, led many Cook Islands women to review their positions, and could affect national politics from the next election.

Transport, always a difficult area for a nation so small and scattered, continued to present obstacles to service and development. Government ship charters remained expensive and unreliable. Private shipping also had many problems—the new Marthalina, on its delivery voyage from Europe, was confiscated in Sri Lanka for carrying a cargo of rocket motors; the Edna was wrecked on the Atiu reef—uninsured; and the Intrepid sank off Rarotonga. In 1990 Hawaiian Airlines, which had earlier withdrawn from the Auckland-Rarotonga service, withdrew also from the Honolulu-Rarotonga route. It was persuaded to continue for a time. In June 1991 Air New Zealand decided to withdraw from internal services in the Cook Islands (it owned 90 percent of Cook Islands Air).

Overall it was a year of economic growth and political stability, but with some seeds sown that could create more difficult social and economic conditions in the future.

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FRENCH POLYNESIA

There was much speculation in the latter half of 1990 regarding likely alliances in the territorial assembly after