

treasury Tumuataua Falema'ō Pili seeks election to the office of governor, as does Galumalemana Frank Pritchard, former director of agriculture and one-time legislator from Leone. Pritchard has chosen former director of medical services Dr Nofo Siliga as his running mate, while former governor A. P. Lutali has selected Tauese P. Sunia, previously education director, as his lieutenant governor. All challengers face the upcoming elections with the formidable task of attempting to undo what the politics of dependency and, some would say, greed have created in American Samoa.

BILL LEGALLEY

### COOK ISLANDS

Culture and debt were the themes that dominated the year under review. The two are related in a number of ways.

Prime Minister Sir Geoffrey Henry has a strong personal interest in and deep knowledge of culture, and a clear vision of its role in giving Cook Islanders confidence, national cohesion, and a unique identity. No one else is as skilled in using culture as a political tool, also a forte of the first head of government, his late cousin Albert Henry. The priority being given to cultural matters is far beyond that in any other Pacific nation—or anywhere else we know of in the world. The Ministry of Culture (Tauranga Vananga) was established in 1990 and is now bearing some quality fruit. This is in encouraging contrast to its predecessor, Albert Henry's Tumu Korero, which started with noble sentiments but degenerated

into a crass political machine and was finally abolished in 1978.

In October 1992 the Cook Islands hosts the Festival of Pacific Arts, an enormous—even courageous—undertaking for so small a nation. Every person in every village on Rarotonga is involved in preparations for this major Pacific event—village beautification schemes with significant prizes, planting programs to feed the extras, preparations for accommodating, catering for, and entertaining two thousand participants plus more than that number of visitors. This means a doubling of the adult population of Rarotonga. Enormous efforts are involved, but it is an integrating and unifying challenge for the nation. Rarotonga's roads are being put into better condition than ever, its water supply upgraded, public buildings renovated, and the main town foreshore is being expanded and made more attractive.

At the same time, a large new National Cultural Centre is under construction in Avarua. The expected cost of US\$6 million is reasonable for the structure being erected, but enormous relative to the size of the nation. It is the equivalent per person of Papua New Guinea or New Zealand spending US\$1200 million on such a center. Maintenance and operating costs will also be high. The two-week Festival of Pacific Arts is budgeted to cost US\$3 million. As an indication of the priority being given to culture, though not to negate its value, this is equivalent to Papua New Guinea or New Zealand spending US\$600 million on such an event.

Tourism, the main economic force

in the country, also depends to a significant degree on cultural expression. Most of the wide range of competitions and performances in the expressive arts are financed, directly or indirectly, by the travel industry. Although Fiji and other island destinations were struggling, the Cook Islands enjoyed higher-than-ever tourist numbers in 1991–92. Nevertheless, most government efforts to provide tourist services over the years have been economic disasters. This year saw further losses, and further unsuccessful attempts to sell off the three government hotels. At the same time, the government was pressing ahead with construction of a new luxury hotel to be managed by Sheraton.

Five years ago the Cook Islands was virtually debt free. Today, government debt is approaching the equivalent of two years' gross domestic product, an extremely high figure. The main sources of debt have been expenditures on culture and tourism. The National Cultural Centre is the largest of several projects being financed by a loan from the government of Nauru. The loan for the hotel was CI\$71 million, but may be as much as CI\$100 million by the time it opens in 1993. Sympathetic and knowledgeable people do not think it possible to repay the loan from revenues generated by the hotel itself. The National Cultural Centre, of course, will not bring in significant revenue. The money is to be repaid through a scheme involving reloaning the Nauru funds to others at higher interest rates. As the government declines to reveal the details, there is some concern about the deal.

Loans for telecommunications, electricity upgrading, water supply, housing, pearl culture, business development, agriculture, and so on, all have the potential to be repaid and to generate economic growth, provided the projects are well managed (though the track record in this regard is very mixed). Those for roads are within the capacity of the government to repay. Most of the loans are nominally "concessional," though this ties the government to lenders' requirements (and sometimes contractors'). In some cases the costs are higher than a commercial loan with open bidding.

Another concern is debts to international organizations, some of which are far in arrears. The government is also well behind in payment of bills to businesses within the Cook Islands. The arson of the main government buildings in May 1992 may add \$10 million or more to the national debt. When it took office the present government canceled insurance on government buildings in the hope that foreign aid would cover any losses. The hope was misplaced.

The government maintains that the loans are within the nation's capacity to pay, with the exception of that for the "Sheraton." Critics allege that the Cook Islands is following a familiar pattern of overindebtedness characteristic not only of many Third World countries but also of many higher income countries such as Australia and New Zealand. This is fine for those spending other people's money, but creates long-term suffering for the next generation, who have to pay it back or undergo the humiliation of having

some of it canceled in return for stringent external controls. Which of these or other scenarios eventuates will not be known for some time.

Hopes for economic growth include the possible exploitation of seabed minerals on the Manihiki Plateau (still some way off and with as yet unpredictable financial results). Expanded pearl culture is planned for Manihiki, pearl culture by families is due to begin in Tongareva in 1992 with some USAID assistance, and a government-associated corporation is expected to develop the industry in Suwarrow. Even if the last two have no development problems, it will be some years before significant returns are available. Some see a good future in aquaculture. Short-term prospects in tourism appear good, and further growth is expected. Other hopes lie in the Australian lottery, Lotto, which began operation in 1992. The resultant government revenue is to be used for sport and youth activities, though the drain of foreign exchange to Australia will also be significant.

The international finance center seems to thrive, but the international ship registry has failed to bring in the expected revenue. Five of the twenty ships registered so far have sunk! International insurers are very cautious about vessels registered in the Cook Islands.

After a dearth of sea transport and a series of marine disasters over some years, early 1992 saw the introduction of a plethora of private interisland shipping services. Not all of these enterprises are likely to survive in such a small market. A new airline, Avaiki Air (chaired by Member of Parliament

and businessman Norman George), lost one of its aircraft with several lives, and was not operating at the end of the review period.

Social tensions, which derive in part from economic changes, are creating political problems. Perhaps the greatest social tension within families concerns land rights. Cook Islanders inherit land from both parents, four grandparents, eight great-grandparents. (This is not ancient custom, though many believe it is). About 76 percent of Cook Islanders live in New Zealand, Australia, French Polynesia, or elsewhere. Demands for land by the growing number of returnees, and by those remaining overseas but claiming what they consider to be "their share" back home, are now a significant source of friction. Whereas full employment used to be the norm, 30 percent of Cook Islanders in New Zealand are now unemployed, as automation, specialization, and deregulation do away with low-skill occupations.

The impact is strongest in Rarotonga, where the population increasingly concentrates, rapidly making it a different world and lifestyle from the outer islands. However, tensions are also apparent in Manihiki and Tongareva as residents and returnees compete over land and water rights for potentially lucrative pearl culture projects.

Returnees also create other problems, including disturbing increases in burglary, rape, and other violent crime. The chief magistrate estimates that most crime is caused by the small percentage of people who have lived overseas for a long time, but not achieved their goals and come back as

“failures.” However, locals contribute too, and eleven cases of arson over Easter weekend 1992 were the work of local youth. The building complex housing the Prime Minister’s Department, Cabinet offices, Post Office, Justice Department, Survey, Internal Affairs, and others, was burnt to the ground a few weeks later.

Other changes with political and social implications are driven by the international agencies, whose funds, staff, and resources pour in (and are sucked in) in return for the opportunity to influence policies. Top of the pops this year, in terms of funding, were environmental and nutritional issues. Chair of the Board of Health Hugh Henry noted that Cook Islanders have the Pacific’s second worst incidence of nutrition- and lifestyle-related diseases. Chief Nutritionist Ta’iora Matenga-Smith, said the incidence of heart disease in Rarotonga multiplied ten times over the last four years, due mainly to increased consumption of junk food.

In party politics, the opposition continued its downward slide. Another opposition member of parliament, Nihi Vini of Penrhyn, defected to the government in return for concessions to him and his electorate (including his becoming an assistant minister). The opposition Democratic Party (formerly Democratic Taokotai Party) met to consider its leadership crisis. Mr Norman George (a former minister for foreign affairs) had given notice of a challenge to the incumbent Dr Pupuke Robati. Dr Robati stood down but Dr Terepai Maoate was elected leader, with Mr Iaveta Arthur as deputy leader. Mr George, who claims to have more support among the rank and file

of the party, said he would “consider his options.” He is known for energy and innovation, Dr Maoate for tact and diplomacy. Together they could make a strong team, but they publicly vilify each other. The party is in tatters.

A snap election is likely late in 1992, or early in 1993, a year before it is due. The government may decide to ride the wave of public euphoria caused by high levels of employment and spending from the loans, by a good year for tourism, by the Festival of Pacific Arts, and by the lack of a realistic opposition. Moreover, the government has fulfilled more of its election promises than most governments in most places. The prime minister was awarded a knighthood, which is likely to be electorally popular and taken as a sign of royal approval. Most of the public are not aware that such honors are awarded on the recommendation of the government concerned. Sir Geoffrey has also been selected as chancellor of the University of the South Pacific, a titular post held by heads of government or heads of state of the twelve member countries in turn. Again the public will not be aware of the selection process and it is another propitious sign for the success of the ruling Cook Island Party in an election.

In international relations the prime minister, once the strongest critic of French nuclear testing, cautioned the people against negative action, and explained the French position. The change was no doubt due to two “development” loans from the French government, and a request for French help with transport, equipment, and catering for the Festival of Pacific Arts. Moreover, France now helps with sur-

veillance of the Cook Islands exclusive economic zone, and has provided emergency transport and technical services. The opposition criticized the government for its changed stance on nuclear testing, but the majority seem to feel it is a good deal for the Cook Islands. The issue was rendered moot when France suspended its testing program in April 1992.

A highlight of the year was the inaugural meeting of the G5, consisting of the heads of government of the five smallest member nations of the South Pacific Forum (Cook Islands, Niue, Tuvalu, Kiribati, and Nauru). They claim to get the smallest slice of the aid and related cakes, and that they can cooperate in areas such as transport and marine surveillance. The meeting, which was Sir Geoffrey Henry's idea, was hosted by the Cook Islands and the participants felt they achieved useful objectives.

It was a stimulating, positive year, throbbing with activity. We hope the next generation will not have to pay for our joy!

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### MAORI ISSUES

In March 1991, new Minister of Maori Affairs Winston Peters released his ministerial planning group's document, *Ka Awatea*. The planning group recommended the establishment of a Ministry of Maori Development to replace the Iwi Transition Agency, which in turn had replaced the old Department of Maori Affairs. The report targeted the four areas of Maori health, educa-

tion, employment, and business enterprise, which had to be developed to close the gap between Maori and Pakeha. The plan was based on the assumption that the NZ\$239 million budget of the Iwi Transition Agency would be retained, at a time when Minister of Finance Ruth Richardson was bent on pruning government expenditure.

*Ka Awatea* was not well received by Mr Peters' cabinet colleagues because it was contrary to the government's policy of "mainstreaming." Under this policy, services to Maori provided by the Iwi Transition Agency, such as Maori Access (an employment training scheme), land, Maori trustee, housing, welfare, and education, would be integrated into matching programs provided by mainstream government departments. The budget of the Iwi Transition Agency would shrink through its redeployment to other departments.

Maori suspect that mainstreaming is a new word for the old policies of integration, assimilation, and the maintenance of Pakeha hegemony. In the 1980s the Department of Maori Affairs became more user-friendly, as Maori were promoted by Chief Executive Officer Kara Puketapu from the middle levels, where they had been kept, into managerial positions. The government made moves to regain control. Against the wishes of Maori leaders, the department was abolished in 1988 and replaced by a Ministry of Maori Policy whose only function was to recommend policy to the government. In the meantime, an Iwi Transition Agency, with a life of five years, was established to implement the government's policy