

Reviews of American Samoa, the Cook Islands, Hawai'i, Tuvalu, and Wallis and Futuna are not included in this issue.

FRENCH POLYNESIA

Recent developments in French Polynesia can be viewed through the prism of the forthcoming bumper election year in 2001 when, by coincidence, both the territorial and the municipal governments come up for renewal. Certainly the policies and machinations of both the incumbent government and the opposition parties were designed with this prospect in mind. The Tahoeraa government thus tried, but ultimately failed, to repeat its 1996 feat of pushing through yet another statutory reform redolent with nationalist symbolism. By contrast, the opposition united, and succeeded, in their aim of reforming the territory-wide electoral boundaries in favor of the urban constituency where their parties are strongest. Unprecedented, if anticipated, verdicts in the courts saw both President Flosse and former president Alexandre Léontieff convicted in separate cases of corruption. This means that possibly Flosse, and certainly Léontieff (who now sides with the *indépendentiste* opposition) will not be eligible to stand as candidates in 2001. Down but not out, the government pursued opulence-oriented initiatives including the inauguration of palatial offices for the presidency, an entertainment complex, and a territorial television station. The econ-

omy also worked to the government's advantage, putting in a solid performance.

French Polynesia was progressing steadily toward the new political status of overseas country (*pays d'outre mer*¹) in the latter half of 1999. The draft constitutional law project was adopted by the French national assembly on 10 June and later by the senate on 12 October. Notwithstanding the concerted efforts of Deputy-Mayor Michel Buillard and Senator-President Gaston Flosse, France rejected numerous proposals by the territorial assembly to increase French Polynesia's powers under the new status. Most important (and unlike the agreement reached by New Caledonia) the transfer of specific powers to French Polynesia as a *pays d'outre mer* would not be definitive; in other words, it could be reversed at a later date. Nor did the French Polynesian assembly realize its ambition to have its legislation accountable only to the French constitutional council. French Polynesia also sought a major expansion of its powers to negotiate international accords, including the a priori right to sign such agreements. This claim too was rejected, as was the quest to call the "country" Tahiti Nui (TP, July 1999, 28–29; Nov 1999, 26–27).

Despite the limitations of the *pays d'outre mer* status, Flosse pronounced himself satisfied with the final version of the constitutional amendment, which had retained his much-vaunted

conception of Polynesian citizenship. (The enthusiasm for citizenship was not shared by the opposition, which considered it meaningless without restrictions on the right to vote as applied in the New Caledonia reforms.) Flosse was very keen to push through the constitutional change prior to the 2001 elections, as he believed new statutory gains would provide a welcome boost to his party's electoral campaign. It was a major disappointment for the president and his government when the process of instituting the new status stalled at the final stage of its approval. Such changes to the French constitution require the approval of a joint sitting by the two houses of parliament, known as a Congress of Versailles. The session was planned for 24 January but was canceled indefinitely because the opposition had signaled it would not approve an important constitutional amendment relating to reform of the French legal system that was scheduled for the same day. Although the *pays d'outre mer* amendment had received bipartisan support, the government was loath to organize a joint sitting solely to consider it. French Polynesia's quest to be a "country" was postponed to an undetermined future date (*TP*, January 2000, 32–33).

As flagged in the previous review (von Strokirch 2000), the embittered Deputy-Mayor Emile Vernaumon continued his crusade to bring down the government of Flosse and his Tahoe-*raa* party by whatever means necessary. A centerpiece of his strategy was to pursue electoral reforms that would benefit the urban-based opposition parties and severely disadvantage the governing Tahoe-*raa* party, which

relies heavily on votes from the outer islands. To illustrate the disparities under the current electoral law, last modified in 1985, the largely urban Windward Islands (Tahiti and Moo-*rea*), which account for 74 percent of the population, are allocated only 54 percent, or 22 of the 41 seats, in the territorial assembly. Conversely, the outer islands are allocated 46 percent of the seats for only 26 percent of the population. In practice, a candidate from the Windward Islands needs an average of 4,139 votes to be elected, whereas their counterparts in the Lee-ward Islands require 2,163 votes, and in the Australs only 1,428 votes (CESC report 114, 27 April 2000). On the grounds that demographic trends have rendered the existing electoral distribution highly inequitable, Vernaumon argued that reform was well overdue.

Vernaumon's first proposal for electoral reform was tabled in the French national assembly on 9 March 1999 and advocated the transfer of 7 of the 41 territorial assembly seats from the outer islands to the Windward Islands. Flosse was adamantly opposed, so much so that he warned Minister for Overseas France (DOM-TOM) Jean Jacques Queyranne that if the French state "touches a single seat in the outer islands Tahoe-*raa* will boycott the next elections" (*TP*, August 1999, 7). Rhetoric aside, Flosse recognized that the current inequities were indefensible and produced a counter proposal to give the Windward Islands an additional 4 seats and increase the overall size of the territorial assembly to 45 seats. On 23 November 1999 he presented this draft law to the French Senate, which approved it but increased the additional seats for the Windwards to 6 for a total of 47.

However, it transpired that Flosse's draft law included other elements that would render it unconstitutional. This led to Tahoeraa Party Deputy Michel Buillard putting forward yet another version of electoral reform to the national assembly on 24 May 2000. The Buillard draft law (jointly sponsored by former DOM-TOM minister Dominique Perben) envisaged an additional 8 seats for the Windward Islands, increasing the assembly to 49 seats. The proposals by Flosse and Buillard were concessions designed to reduce the glaring inequities in representation between the Windward Islands and the outer islands and still strongly favor the latter.

Before the question of the number and distribution of seats had been resolved, Vernaudon placed another iron in the fire with a proposal to the national assembly on 6 April 2000 to create a single electoral district in French Polynesia instead of the existing five divisions among the archipelagos. Highlighting once again the inequities of the existing system, he argued that the democratic principle of one person one vote should be applied in keeping with the spirit of the French constitution. In effect, Vernaudon's reform would render the Tahoeraa party's support base in the outer islands virtually irrelevant in territorial elections. Flosse was incensed, not only by Vernaudon's latest gambit, but even more by the fact that the leader of the French socialist party, François Hollande, openly supported what Flosse portrayed as a blatant attempt to overthrow his government and drive French Polynesia to independence. A French socialist party deputy, François Merle, observed wryly that "In reality, what Mr Flosse

cannot tolerate is that the absolute power he has organized by clientelism and by an electoral system that keeps him in power in conditions of unjust representation could be called into question" (TP, May 2000, 7-10).

A complete bipolarization of territorial politics ensued on the specific issue of electoral reform. This was not surprising as the stakes were high, with the outcome likely to determine whether the government or the opposition would win the 2001 territorial elections. In March Vernaudon's Ai'a Api joined forces with the pro-independence parties, Oscar Temaru's Tavini and Jacqui Drollet's Ia Mana, to fight for their preferred version of electoral reform. To this effect, on 15 March they issued a joint memorandum, in which they argued that the size of the assembly should not be increased as it would place an unnecessary burden on the budget. They also made known the intention of the "progressive Polynesian parties" to mount a joint list for the territorial elections under the leadership of Temaru. Vernaudon thus officially abandoned his long-standing position as an autonomist and pronounced himself a *souverainiste* (a slight semantic distinction from the usual *indépendantiste*). Compared to earlier Tavini policies the memorandum exhibited a marked change in tone, whereby it emphasized that independence would by no means signify a rupture in relations with France. They expressed the hope that there would continue to be cooperation via treaties between equals in domains such as the economy, currency, education, and defense. They fully expected France to continue current levels of financial assistance in a postindependence con-

text as a form of compensation for the economic distortions caused by thirty years of nuclear testing. The three parties expressed their appreciation for discussions they had entered into with the metropolitan socialist party on these matters since June 1999.

In the face of the perceived conspiracy between the united territorial opposition and the metropolitan socialists, Flosse summoned all available forces in April and May to defeat Vernaudon's proposed single electoral division. First he gained the support of municipal governments with no less than 37 of the 48 territorial mayors rallying in opposition to the Vernaudon reform. This was an impressive feat as it demonstrated how successful the Tahoeraa government has been in recent years with its policy of winning allegiance from mayors via a selective scheme of subsidies to the municipalities. The government then gained the support of an important territorial institution, the Economic, Social and Cultural Council (CESC), which officially advises the government and parliament. The council severely criticized the proposal for a single electoral division on the grounds that it would disadvantage the outer islands, which already experience isolation and neglect (CESC report 114, 27 April 2000). It later expressed itself in favor of the Buillard electoral reform. Predictably, the territorial assembly (which acts as a rubber stamp for any policies put before it by the government) also rejected the Vernaudon reform. Finally, and importantly, given his role as the sole independent voice in territorial politics, Mayor-Assemblyman Boris Léontieff backed the government's electoral reform due to his concern to maintain representa-

tion for the outer islands. This was an interesting development as his Fetia Api party's electoral prospects would have improved significantly under a single electorate.

There was an intense period of activity from March through to late June as the two sides repeatedly sent delegations of their leading lights to Paris to lobby metropolitan political parties and the national government for their respective electoral reform projects. Ultimately the socialist government and its majority in the national assembly opted for an electoral reform falling somewhere between the two preferences. Vernaudon's first proposal, to maintain the size of the assembly at 41 seats while augmenting the share of the Windward Islands from 22 to 29 seats, was passed by the national assembly on 22 June. The Windward Islands would henceforth receive 71 percent of the seats in close proportion with its 74 percent share of the population. Specifically the outer island seats would be reduced as follows: Leewards 8 to 5; Marquesas 3 to 2; Australs 3 to 2; Tuamotu-Gambier 5 to 3. The draft organic law must still go back to the opposition-dominated senate in the October 2000 session. Nevertheless, in the event of differences, its fate will finally be decided by a mixed commission from the senate and the assembly, which usually comes down in favor of the assembly. The French government has also given notice that it intends to push through the reform as a matter of urgency so that it will apply to the 2001 elections in French Polynesia. Vernaudon's second proposal for a single electoral division, however, was definitively rejected. DOM-TOM Minister Queyranne

explained that such a change would risk depriving the outer islands of representation, as their interests would become marginal for urban-based political parties. He also noted that the proposal had not obtained widespread popular support in French Polynesia (*NT*, 23 June 2000, 4).

In contrast to the subject of electoral distribution, territorial parties found themselves united in opposition to the strict application of a metropolitan electoral law on gender parity. On 8 July 1999 the French constitution was modified to enable a French electoral law that will ensure an equal number of men and women are presented as candidates on the electoral lists of political parties. In the national assembly's first discussion of an organic law to apply the new principle of parity, Vernaudon was successful in arguing for an amendment exempting the overseas territories so that, although their lists would include an equal number of men and women, they would not be obliged to have a strict alternation of candidates by gender. Later, Flosse persuaded the senate to support the same amendment. There was bipartisan consensus in the territory that, on the grounds of cultural particularity, their society was not ready for the more radical interpretation of parity. The law commission of the national assembly was not in agreement with this territorial perspective and deemed it imperative that national electoral laws be applied without exception throughout the republic. The matter was thus brought back to the national assembly on 21 June and passed without the Vernaudon amendment. The new parity law will thus apply to the 2001 territorial elections (*NT*, 22 June 2000, 3).

The parity law promises to hold major ramifications for territorial politics, given that currently only 5 out of the 41 territorial representatives are women. It poses a challenge to political parties, not only to find female candidates willing and able to stand, but also the vexed issue of which men will assume a lower position on the party list or bow out altogether. By way of illustration, consider the factional deals made by the Tavini party in recent years to co-opt leaders of other opposition parties to their cause. Jacqui Drollet and Alexandre Léontieff, both leaders of near defunct parties, joined the Tavini electoral alliance in 1996 because they were placed high enough on the list to win. Another convert, Jean-Marius Raapoto, unsuccessfully ran as Tavini's senate candidate in 1998 and no doubt believes he has earned a seat in the next territorial assembly. Similarly, Emile Vernaudon will expect a safe spot on the list if he goes ahead with his stated intention to campaign with Tavini in 2001. In addition to Temaru himself, how can these men and other leading lights in the party all realize their political ambitions if their names must alternate with those of relatively unknown female candidates? If any one of them is not assured a seat in the assembly they could well decide to abandon the joint list, taking their loyal voters with them. Such scenarios may explain why political leaders were so hostile to the institution of parity.

In March another piece of French legislation was passed with implications for the territory, but this time specific circumstances were taken into account as a result of determined lobbying by Flosse. The legislation concerned the limit to be placed on the

accumulation of political offices by individuals. In view of his own accumulation of the offices of national senator, territorial president, and mayor of Pirae, Flosse had pronounced himself in favor of the general principle but envisaged special exemptions for French Polynesia. Not surprisingly, one exemption would allow him to retain his senatorial and presidential positions concurrently. Thus the ordinary law limiting the accumulation of mandates was passed by the national assembly on 8 March, allowing national parliamentarians to concurrently hold no more than one of the following offices: president of a general council (the assemblies of French departments), mayor, or president of French Polynesia. A separate organic law pushed through the senate by Flosse made further allowances for the territory. This departure from the new metropolitan law gave the right for a territorial minister to also be a mayor, regardless of the size of their municipality (*DT*, 9 March 2000, 19). The validity of the organic law was confirmed on 30 March by the French constitutional council. This decision was cause for relief on both sides of politics, as the notion of mayors being unable to act as ministers would have been viewed as pure heresy.

In practice the limit on mandates meant that Flosse was obliged to give up one of his three offices, and he resigned from the least important one of mayor on 10 March, albeit with some sentimental regret. Pirae was the launching pad for his career in politics after he won the municipal elections in 1963 and he has held the office of mayor with comfortable majorities ever since. Unwilling to let

his beloved Pirae leave the family fold, Flosse effected an orderly dynastic succession for his son-in-law, Edouard Fritch, who is also deputy leader of Tahoeraa and a government minister. The process began with a by-election on 9 April to replace four deceased municipal councillors. Due to the short notice, and also the awareness that their chances were slim in this staunchly pro-Flosse electorate, the territorial opposition declined to field candidates. Tahoeraa's four chosen women candidates were elected unopposed, and the reconstituted council elected Fritch as mayor of Pirae on 13 April. Fritch thus has a year in which to make a positive impression on the electorate before they judge him at the ballot box. As a result of Flosse's enthusiasm for architectural legacies, Fritch also inherited a project to construct a fabulous new town hall at a cost of FCFP800 million. The cost of construction is being split roughly three ways between the municipality, the territory, and the French state (Jean-Marie Frebault, premier adjoint, Pirae).

Unfortunately for Gaston Flosse, all these efforts to sustain his political empire could come to nought if the convictions against him for corruption are confirmed by appeals to the highest courts in Paris. In October a trial began, eight years after the so-called Hombo affair in which Flosse and his colleagues turned a blind eye to the operation of an illegal casino in return for an estimated FCFP30 million donation to the Tahoeraa party's coffers. The judgment on 24 November convicted Flosse (and others) of passive corruption and complicity in allowing an illegal gambling house. The president received a two-year sus-

pended prison sentence, an FCFP1.8 million fine, and, significantly, one year of ineligibility for public office. Despite calls by the opposition for him to resign immediately, Flosse refused and signaled his intention to stay in office until the appeal process was concluded. As the appeal could take up to two years, this may allow Flosse to campaign on behalf of Tahoeraa for the 2001 elections before his fate is decided. Flosse's participation could be crucial if Tahoeraa is to hold any hope of staying in government once the electoral system is adjusted to a more level playing field. The party faithful stood by Flosse, giving him a hero's welcome when he returned to Tahiti from the trial and reelected him president of the party in their annual congress in December (*TP*, Nov 1999, 10–11; Dec 1999, 10).

In another trial in February, Flosse was convicted for having accepted thirteen free flights with the Oceania airline in return for making that company the government's exclusive carrier for official business. His penalty was an eight-month suspended prison sentence, FCFP2.73 million fine, but no removal of civic rights. In effect, he would be left with a clean record after paying the fine, and for that reason Flosse and his lawyer considered the verdict a good outcome and did not seek appeal (*TP*, Feb 2000, 7–8). In yet another court case concerning Flosse, but one in which he was not personally charged, his highest-level staff were convicted in November for having stolen files from the office of an opposition lawyer. The three convicted men remain in the employ of the presidency.

The wheels of justice turn slowly because of a law that requires the tri-

als of territorial politicians to be relocated to metropolitan France. Nevertheless, the law finally caught up with former president Alexandre Léontieff. In the year under review his convictions were confirmed in three separate court cases. In the first instance, Léontieff's right to appeal his conviction in the Cardela Clinic affair was rejected, and his one-year prison sentence was confirmed for taking a bribe in return for writing off the clinic's tax bill. Léontieff thus assumed the dubious distinction of being the first territorial politician imprisoned since the late 1950s. He began serving time in September. In the second case, Léontieff's conviction was confirmed in the appeals court for receiving a \$1 million commission from a Japanese developer in return for approving the construction of a hotel and golf course in Moorea. He received another three-year prison sentence (one year suspended). In a similar case, the appeals court confirmed Léontieff's conviction for the Meridien Hotel affair with another three-year prison sentence (two years suspended). All the penalties included weighty fines and privation of civic rights (*TP*, Oct 1999, 7, 13; April 2000, 13). Léontieff must have a very good lawyer, for by May he had already been released from prison under special conditions, and he resumed working as a strategist for the Tavini opposition.

President Flosse has clearly taken to heart the dictum of circus for the masses if the events of late June are anything to go by. Flosse officially opened a new entertainment venue (27 June), opened his new presidential offices to the public (28 June), inaugurated the territory's own television station, and celebrated autonomy day

on 29 June. The date chosen by Flosse for autonomy day is scorned by the opposition as it marks Tahiti's annexation by France in 1880 and bears no relation to milestones in the territory's evolving status of autonomy. The opposition also hounded the president over the cost of his new presidential *palais*. It was initially budgeted at FCFPI billion, but was completed two years late, and the final cost of construction blew out to 3.5 billion (of which the state paid 600 million), although the opposition believes its real cost to be much higher (Assembly debate, 8 June 2000). It is an ornate European-style building, similar to the existing Pape'ete and forthcoming Pirae town halls, and much of the interior was decorated by master craftsmen brought in from France. Flosse's *demi* origins lean toward his French side in architectural taste and other aesthetic choices, such as the new mock-gas streetlights on the waterfront mimicking those on the Champs Élysées in Paris.

As with most developments of any publicity value, the president was personally involved in the construction of the new outdoor entertainment venue, which was built in record time by his Polynesian Intervention Group. The To'ata place, on the Pape'ete seafront, was consecrated with a fabulous traditional ceremony with over a thousand performing artists participating, but the official opening gesture fell to a barefoot President Flosse. To'ata will be the venue for the annual cultural festival. In an interesting shift, this festival, long known as the *Tiurai*, then in recent years as the *Heiva*, now appears to be undergoing another name change—this year the press referred to it as Tahiti Nui 2000

(*DT* and *NT*, 27 and 28 June 2000). Tahiti Nui is the president's preferred name for the territory as a whole, though not one officially recognized by France. Nevertheless, he has proceeded to stamp this name on all new entities, including the airline, Tahiti Nui Satellite service, and Tahiti Nui Television (TNTV), both of which were launched symbolically on autonomy day.

In view of the official energy and taxpayers' funds devoted to setting up Tahiti Nui Television, analysis is warranted to discern the political motivations behind it. The president has become increasingly intolerant of criticism from any quarters, including the media. Flosse finds no fault in the coverage of the two daily newspapers which are owned by the right-wing media magnate Hersant. However, the monthly *Tahiti Pacifique* has been a constant source of irritation, as has Radio Tefana, run by the Tavini opposition. Although the television satellite station *Canal Polynésie* has been favorable to the government, no doubt because it has benefitted from generous subsidies, the same cannot be said for other stations. Telefenua mainly shows programs from abroad, but the small percentage of its airtime given to local current affairs has proven unacceptable to the president, who charged it with being *indépendantiste*. Members of the government are forbidden to appear on the station, and the government mounted an unsuccessful legal challenge to take Telefenua off the air. The two French state television stations and their counterparts in radio (RFO) have become more balanced in their reporting of current affairs since they were admonished by the court for being biased in favor of

the government during the last election campaign. RFO's newfound neutrality has angered the president, who accused them of trying to "massacre our majority" (*TP*, Feb 2000, 24-26). The ostensible objective of Tahiti Nui Television is to promote Tahitian culture and indigenous programs, while the other stations show mainly imported programs; however the context just described suggests other factors were at play in the government's decision.

The speed with which Tahiti Nui Television was set up was nothing short of remarkable. The territorial assembly voted to create the quasi-public enterprise on 17 March 2000. Its initial starting capital was FCFP550 million, of which the government contributed 85 percent, with the balance made up by private shareholders. It is anticipated that the station could break even financially by the year 2005, but only if it realizes its ambition of FCFP500 million per year from advertising revenue—a tall order given that this figure is only slightly less than what RFO currently earns from advertising (*NT*, 21 June 2000, 4-5). Although creating a territorial television station is within the government's powers, it was obliged to obtain approval from the metropolitan audiovisual council (*Conseil Supérieur de l'Audiovisuel* or CSA). The council believed there were inadequate guarantees that pluralism would be respected by Tahiti Nui Television, and its approval was withheld until such guarantees could be made. Evidently the council was concerned at the widely shared public perception that Tahiti Nui Television was too closely identified with the government and its president. The audiovisual

council demanded less government involvement in the board of Tahiti Nui Television (that is, no ministers), more openness about its shareholders to prevent conflicts of interest, a minimum local content of two hours a day, and clarifications about the amount and duration of public funding for the station (*NT*, 15 June 2000, 3). These conditions were subsequently agreed to by Tahiti Nui Television in a convention with the audiovisual council, and the station received its permit to go to air just a week before the much-publicized opening at the end of June. Just in case three local stations and two satellite television stations were not enough for a territory of 225,000 people, the government also launched Tahiti Nui Satellite, a territory-wide diffusion of another dozen satellite television channels and Internet access. This subsidized competition is likely to ruin the privately run Telefenua.

The fortunes of the new territorial airline, Air Tahiti Nui, have been mixed to date. There have been repeated increases in the government's contribution to the capital of the airline, including allocations from the president's own special funds to tide it over financial difficulties.

Originally the assembly had voted to limit government participation to 10 percent, but later it removed this restriction, and by March 2000 total public participation via various government agencies exceeded 50 percent and totaled FCFP1.6 billion. In 1999 the company succeeded in filling an average of 52 percent of seats on its Los Angeles route and 62 percent on its Tokyo route. (A new route is planned for Osaka.) It also undertook numerous charter flights throughout the Pacific Islands that were largely

subsidized by the territory. Notably, 12 percent of passengers on the Los Angeles route did not pay for their tickets. Overall, in 1999 Air Tahiti Nui lost FCFP 1.2 billion, which was 400 million greater than initial predictions (*TP*, April 2000, 9).

Tahiti Nui Television and Air Tahiti Nui are just the latest additions in a long list of quasi-public enterprises (*sociétés d'économie mixtes*) in which the territorial government is often the majority shareholder. Others include SEP rubbish disposal, TEP energy, SETIL airports and construction, the president's versatile band of workers on special projects—the Polynesian Intervention Group, the Internet operation Project METU@, and the commercialization of various activities by the post and telecommunications office and the housing office. Many of these initiatives have been made possible with the post-CEP development funds provided by France to transform the territorial economy. The quasi-public enterprises have contributed to economic growth, the provision of employment, and, in some cases, to the improvement of essential services. Yet the trend for the government's increasing involvement in these enterprises does pose cause for concern. They are set up with public monies, but in many instances there is no guarantee they will ever break even, much less make a profit. Subsidizing their operations is likely to constitute a continuing drain on territorial revenue. Another problem is that the position of president of such a company is often used as a payoff to politicians loyal to the incumbent government, so the president may not be chosen on the grounds of merit. In addition to their lucrative salaries,

several politicians heading quasi-public enterprises have engaged in corruption.

Nevertheless, the short to medium term economic outlook is rosy for the government. The pearl-culture sector has continued its impressive performance and accounts for more than half the territory's total exports. In 1988 French Polynesia exported only 440 kilograms of black pearls, but by 1999 it had reached a new record of over 8,000 kilograms in exports (a 40 percent increase over the previous year) at an estimated value of FCFP 22 billion. Tahitian black pearls now account for over 30 percent of the world market (*DIXIT* 2000, 210). Apart from the improved quality and quantity of local production, the remarkable increase in market share can be attributed to a plague wiping out a large part of the Japanese pearl industry since the mid-1990s. The tourism sector also continued its steady growth, finally attaining the magical figure of 200,000 tourists in 1999, which was nevertheless short of the government's ambitious predictions.

A report by the Bank of Hawaii indicated several positive trends in the economy (Osman 1999). It noted that French Polynesia has developed an advanced physical, social, and financial infrastructure that is second to none compared to its Pacific Island neighbors. After a slump in 1995 and 1996 associated with the nuclear test resumption, French Polynesia's economy recovered strongly from 1997 to 1999, mainly due to a construction boom relating to public works and hotels on Tahiti. This growth in turn was largely funded by transfers from the French state, including FCFP 18

billion per year to promote a conversion of the economy in the post-nuclear-test era. Given that this extraordinary development assistance from the state is scheduled to conclude in 2005, the government will have to find other sources of revenue or reduce its programs. For the time being, economic growth is set to continue and will stand the Tahoeraa party in good stead for its electoral campaign.

It is still too early to make firm predictions about the 2001 territorial elections, but preliminary analysis and speculation are in order. The fact that the government did not achieve the status of overseas country for French Polynesia may not be very significant in electoral terms. The public is noticeably weary of repeated reforms to the statute, which have often been bigger on symbolism than substance. Of far greater import is the French government's preparedness to adjust electoral boundaries in favor of Tahiti and thereby advantage the urban-based opposition parties. The new-found unity of the opposition also warrants attention in this context. All the opposition's leading lights, with the exception of Boris Léontieff, have now come together in a pro-independence coalition dominated by Tavini. As a result of the moderating influence of these new members (notably Alexandre Léontieff, who is a key party strategist) Tavini's platform has shifted to the center ground. The party has abandoned its antagonistic stance toward France and envisages a long-term relationship of cooperation, even after the territory accedes to independence. The erstwhile threat of a rupture of ties, and therefore economic

sacrifice, has been removed. New Caledonia's chosen path also suggests the scope for a gradual transition to independence. The socialist party in Paris appears receptive to such moves by French Polynesia and has entered into dialogue with the territorial opposition. For all these reasons Tavini has acquired greater mainstream credibility as an alternative government. In contrast to every territorial election held since 1982, the Tahoeraa party is acutely aware that the outcome of the next poll is by no means a foregone conclusion.

KARIN VON STROKIRCH

I GRATEFULLY *acknowledge Semir Al-Wardi's insights on current political developments.*

Note

1 For a detailed analysis of *pays d'outre mer* status see von Strokirch 2000.

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MĀORI ISSUES

In 1996 M ōri deserted the Labour party and gave all the M ōri seats to the M ōri-led New Zealand First party. In 1999 they returned them all to Labour thus ensuring a Labour-led government. The basic error New Zealand First made was to enter a coalition with the National party against the clearly expressed wishes of M ōri. Now that M ōri are starting to become a political force in Aotearoa/New Zealand, governments are having to learn quickly to shed the deeply ingrained habit of ignoring and dismissing issues. With the gap between M ōri and non-M ōri widening for every socioeconomic indicator, M ōri looked to Labour to restore some semblance of justice. On election night in November 1999 new Prime Minister Helen Clark thanked M ōri for returning all the M ōri electorates to Labour. M ōri then waited to see what Labour would return to M ōri.

The first indication that the prime minister was serious about M ōri issues came with the appointment of three associate ministers to assist the minister of M ōri Affairs. It soon became obvious however that the minister, Dover Samuels, was a political liability. First he gave the prime minister bad advice on how to conduct Waitangi Day. Then he was embroiled in an employment dispute with his press secretary. When he became prey to what were eventually unproved allegations of sexual impropriety from the right-wing ACT party in June 2000, the prime minister removed his warrant. Soon after, several convictions for violence and theft came to light that Samuels had not declared to the Labour party. Having watched the

minister of M ōri Affairs in the previous government spending more time fending off right-wing attacks than doing his job, M ōri were not unsympathetic to the prime minister's decision. Dover Samuels was replaced by first-term member Parekura Horomia, a career bureaucrat with a strong preference for maintaining a low public profile.

The prime minister had indicated her lack of confidence in Dover Samuels long before she removed his warrant. In January she set up the Cabinet Committee on Closing the Gaps (between M ōri and non-M ōri) and decided to chair it herself. Samuels admitted that he was unable to make headway with many heads of government departments and that they were less likely to disregard the prime minister. One of the first decisions of the cabinet committee was to give the Ministry for M ōri Development greater powers to conduct accountability audits on all government agencies. Negative reactions from the opposition benches indicated that the ministry is almost certainly going to continue having difficulty accessing information from other government agencies that resent having to account for what they are, or more likely, are not doing for M ōri.

The usual opposition tactic for ensuring that M ōri needs are not addressed is to keep up personal attacks on M ōri members of the House. After the 1999 election the main target was John Tamihere, the flamboyant member for the new Hauraki electorate. Helen Clark had backed his selection as the Labour candidate for the seat, rejecting the M ōri selection. Prior to the election

Tamihere had been the chief executive officer of an urban M ori corporation, the Waipereira Trust, which operates from West Auckland.

The right-wing opposition party ACT, using information fed to it by disgruntled M ori in West Auckland, forced an inquiry into the Trust's use of public funds. Tamihere's inexperience in the House showed in the early stages of the inquiry as he named and attacked members of the Waipereira Trust, whom he accused of leaking information to ACT. Their vehement denials forced Tamihere to apologize. Although the Trust was cleared of specific allegations, ACT continued to needle Tamihere about its operations and his own conduct.

Given parliament's and the media's recent history of attacking M ori members personally, it is not surprising that the fourteen other M ori who entered or were returned to parliament in November have maintained a low profile in both the House and the media. Despite this, some, such as Tariana Turia, have been able to make important changes that directly benefit M ori. However, given the strongly anglocentric nature of the New Zealand parliament, the job of achieving the attitudinal changes needed both in and outside the House, if any real progress for M ori is to be achieved, will fall largely to non-M ori members and ministers, such as the prime minister and the minister in charge of Treaty of Waitangi negotiations. It was a welcome change for the prime minister to acknowledge the racism against M ori that is deeply ingrained in the New Zealand Police after the shooting of a M ori university student in Waitara in April. M ori have

repeatedly raised this issue over many decades but have always been ignored.

Minister in Charge of Treaty of Waitangi Negotiations Margaret Wilson is a close ally of the prime minister. The ex-professor of law at Waikato University learnt quickly not to rely on Dover Samuels for advice on how to settle claims. She chose instead to develop her own direct relationships with claimants. In her first six months in office Wilson demonstrated a willingness to meet with claimant groups in their own territories, a welcome change from the previous minister. She was also prepared to listen to all claimants, regardless of representation disputes, and to work closely with the different social groupings of *whanau*, *hapu*, and *iwi*. This angered the elite group of M ori who have stalked the halls of parliament for decades and succeeded in negotiating deals and settlements without consulting those they claimed to represent. The deals, such as the infamous fisheries settlement (the Sealords deal), have almost all turned sour, and ensured that claimants will re-litigate them. The fresh approach by the new minister aims to achieve durable settlements, and to deliver the benefits to *whanau*, *hapu*, and *iwi* on the ground, bypassing the elite group who have commandeered settlements in the past. It remains to be seen whether the new minister has the political capability to outsmart these very experienced operators and return the benefits of settlements to those most in need of them. It also remains to be seen whether her fresh approach signals any real change in the attitude of the Crown, or whether she is simply undertaking a sorely needed public relations exercise

in order to achieve the same ends as the previous government.

The statement of principles for settling claims issued in June 2000 by the minister indicated that areas of concern remain for the settlement process. These are mainly in respect of her statement that lands administered by the Department of Conservation (almost a third of the country) would not generally be available for settlement and that the Crown would retain title to natural resources including petroleum, minerals, and geothermal resources. She also intends to review the Treaty of Waitangi Act, the legislation that determines the operation of the Waitangi Tribunal. It is widely believed that she will use the review to attempt to remove the tribunal's powers to make binding recommendations. If she does, her principle of repairing and reestablishing the shattered relationship between M ori and Crown will fail.

Settlements entered into by the previous government continued to be problematic, although the NZ\$170 million Ngai Tahu settlement has been able to return benefits for that *iwi*. Their chief negotiator, Sir Tipene O'Regan, took graceful retirement as the next generation moved in to administer and maximize the tribe's benefits from the settlement. Apart from the grievances of one *hapu* and a few minor upsets as the tribe's administration determined the best combination of skills and experience needed to take the tribe into the new millennium, proceeds from the settlements appear to have set Ngai Tahu well on the path to social, economic, and cultural recovery.

Tainui, on the other hand, which also received a NZ\$170 million settle-

ment, has suffered serious setbacks, making huge losses on several unwise investments and being forced to sell off reserved land to meet its debts. Internal discord had simmered for several years, as *hapu* who were disenfranchised by the settlement warned of impending disaster. Tainui's chief negotiator, Sir Robert Mahuta, became embroiled in very public slanging matches with his detractors, and refused to stand down in spite of ill health. Even the highly regarded *kingitanga* (the ruling elite of Tainui of whom Sir Robert is a member) came under attack. As with almost all of the problematic settlements, those who have derived the greatest benefit appear to be a select handful of well-paid consultants and lawyers. Calls on the government to intervene have, as always, been ignored, despite their obvious involvement in creating the chaos in the first place.

The allocation of fisheries assets from the Sealords deal continues to be held up in the courts. Although 76 percent of traditional *iwi* representing 63 percent of all M ori have supported the allocation model proposed by the Treaty of Waitangi Fisheries Commission, urban M ori corporations and other groups not recognized as *iwi* have continued to use the courts to delay the allocation. In May a group of twenty-five *iwi* released an independent report showing that M ori were losing over one million dollars per month as a result of the delays. They were calling for the government to legislate to allow the immediate allocation of the assets.

M ori have continued to battle the government to stop them allocating parts of the radio spectrum without providing for the M ori interest in

them. In 1999 the Waitangi Tribunal upheld the claim by M ōri to the radio waves. In its report it strongly criticized the Crown for failing to respond to repeated warnings from M ōri, the courts, and the Privy Council that denying M ōri access to a significant role in radio, television, and communications would be extremely damaging for the M ōri language. The Crown is obliged under the Treaty of Waitangi and its own legislation to protect the M ōri language. In March the government agreed to sell to M ōri, at a 5 percent discount, a parcel of the 3G spectrum (needed for the application of new generation cellphones and data transfer technology). They continued to refuse to allocate to M ōri any of the 2G spectrum needed for mobile telephone services, claiming it had all been allocated. The New Zealand M ōri Council has lost its cases against the Crown in the High Court and the Court of Appeal over the allocations of the radio spectrum and is now taking the matter back to the Privy Council.

M ōri have maintained for some time now that the only way they will be treated fairly in their own country is if there are constitutional changes. The previous government forbade any discussion on this issue. In April the new government and the Institute for Policy Studies at Victoria University of Wellington hosted a conference entitled *Building a Constitution*. New Zealand has no written constitution. The only document that qualifies for that status is the Treaty of Waitangi. Although the conference was by invitation only, and was attended mainly by parliamentarians, the judiciary, the legal profession, and academics, sev-

eral of M ōri's strongest advocates for the entrenchment of the treaty in a constitution attended and presented practical proposals for advancing debate on the constitution. A very wide range of views were presented, and, predictably, there was no consensus. However, there was support for the establishment of two constitutional commissions, one for M ōri and one for non-M ōri. Following the conference the prime minister commented that she did not consider there was any compelling demand to do anything. Although her comments were disappointing, they did signal some progress toward official recognition of the true status of M ōri in Aotearoa/New Zealand.

MARGARET MUTU

NIUE

Serious threats to Premier Sani Lakatani's political and personal health occurred during his first eighteen months in office. In August 1999 he was hospitalized in Auckland and subsequently underwent a double bypass heart operation. Lakatani's health problems may have been complicated by stress over his plans to introduce a new air service, which was to have been known as Coral Air. While Lakatani survived his hospital ordeal, the Coral Air venture was not so fortunate.

The purpose of the arrangement with Coral Air was to generate additional tourist revenue for Niue, as the island is virtually tourist-free most of the time, and the larger share of its accommodation properties are usually empty. The Coral Air project was criticized by an independent group of

consultants hired to evaluate the project by the New Zealand government, which then proved unwilling to assist Niue with financial support for the scheme. The airline was to have had several aircraft and a staff of eleven pilots and copilots. With the entire financial risk guaranteed by the Niue government, the plan for the airline was described by the consultants as “imprudent and reckless.” Ultimately both the Niue government and Coral Air accused one another of failing to meet contractual commitments, and the entire matter has been placed before the courts. It seems unlikely that any arrangement with Coral Air will contribute to the rejuvenation of Niue’s tourist industry, which seems to thrive only when South Pacific regional conferences happen to be held on the island. Indeed, the best that the Niue government can now hope for from its involvement with Coral Air is that the airline’s threat to sue for \$20 million—more or less the island’s total annual budget—as compensation for an alleged breach of agreement and for lost business revenue will also fail to get off the ground.

Some members of the Niue Assembly were doubtful from the outset about the government’s plans for Coral Air. Their concerns began with the payment of a loan from the government to the airline. As a result, in late 1999, with the premier still recuperating in an Auckland hospital, a group of assembly members, including an associate minister, began maneuvering to replace him.

When it took office in early 1999, the Niue People’s Party (NPP) held a majority of 14 to 6 in the Assembly through support from a group of independents. By December, however,

it seemed as though the government—the island’s first political party administration—would also be Niue’s first to lose office on an assembly motion of no confidence.

The initial source of discontent with Lakatani appears to have been the commitment to Coral Air. Prior to the vote, Lakatani indicated somewhat ironically that he would call a new election rather than govern with a 10–10 “hung Parliament”—the result that the party itself had inflicted on Lakatani’s predecessor, Frank Lui, prior to the 1996 election. In the event, however, the no-confidence vote, taken on 17 December 1999, found the Niue People’s Party deserted by the independents who had originally given it their support, and the result was precisely the 10–10 outcome against which Lakatani had warned.

The vote itself proved somewhat chaotic, with some confusion about the voting procedure and a decision by elected NPP Speaker Tama Posimani forbidding debate, leaving the grounds for the no-confidence motion at least formally undisclosed. Following the vote, not only was there no prime ministerial resignation, but a statement was made looking toward a number of major projects, including a NZ\$50 million golf resort and construction of a series of wind generators for electricity supply.

Afterward, independent assembly members unsuccessfully filed for a judicial review of the assembly procedure for the vote. This was followed by a walkout of eleven members, preventing further assembly business from being undertaken. The numbers demonstrated that a majority of members was now in opposition to the

Lakatani government, leaving it unable to pass legislation or, unless circumstances change, to enact a budget. A new motion of no confidence, filed by former minister of finance Terry Coe, was not accepted by the Speaker, whose own rulings have also now become a subject of controversy. Opposition members of the Assembly now want the Speaker to be replaced, on the grounds of political bias and because of a series of decisions restricting members' questions, motions, and assembly debate. The departure of the eleven members was in some ways therefore an expression of no confidence in the Speaker and his rulings, as well as in Lakatani and his government.

Accordingly, Niue's own year-2000 problem proved to be a minority government, moreover, one facing a substantial deficit as well as a somewhat weary and unsympathetic larger partner, New Zealand. Reductions continued in New Zealand aid—with a further drop of NZ\$250,000 in budgetary assistance in 1999—and in the Niue population. One study claims that by 2003 the number of residents will have dropped to 1300, a decline of about 100–150 each year. While the Assembly contemplates votes of no confidence against the government, Niue's residents, it seems, continue—by leaving—to display their own lack of confidence in the island's future prospects.

The loss of support in the Assembly could not have come at a worse time for Lakatani. It occurred just prior to his departure for Wellington for discussions with new Minister of Foreign Affairs Phil Goff, appointed following the election in New Zealand of a Labour-Alliance coalition govern-

ment in November 1999. Lakatani had been invited with the rest of his cabinet to Wellington for talks about Niue's social and economic problems. The agenda included the future of Niue's constitutional ties to New Zealand, the need for better air services, Niue's alleged involvement in offshore banking fraud, and continuing levels of New Zealand financial aid. The New Zealand government appears to support several "reform" measures, including the establishment of a Niue Trust Fund to assist with financial management, introduction of a goods and services tax to replace personal and company taxation, and a long-term national strategic development plan (of which, however, there have in the past been several, all of them hopeful, none of them effective) involving greater support for the private sector.

The talks between Niuean and New Zealand officials built on a New Zealand review of its development assistance to Niue, published as *Developing a Sustainable Private Sector*. The report criticized successive Niue governments for failing to adopt economic reforms to reduce the size of the public sector, stimulate private businesses, and introduce new financial management systems. It went on to identify Niue's main problems as loss of population, an excessively large and dominant public sector (and a correspondingly weak private sector), and awkward land tenure issues. Attention was also drawn to the failure of the Niue-Tuvalu immigration program, begun in 1997, which has led to only a handful of Tuvalu families arriving, all of them living in one village, Vaiea.

The Niue government's payments to

Coral Air have also become a source of concern for New Zealand. The funds provided for Coral Air were in contrast to the cabinet's reluctance to assist the island's top hotel, the Mata-vai Resort, which has now become insolvent, notwithstanding the government's substantial prior investment in the property, in which it holds a 51-percent share.

Some New Zealand officials, unhappy with the absence of progress toward financial self-sufficiency, want to review the pivotal Constitution Act 1974, which commits New Zealand to providing ongoing support for Niue. If this were to be done, there would appear to be only a limited number of available political status options: full independence (likely to be resisted by Niue and by most Niueans); continuation of the present status, self-government in free association, perhaps with reduced financial support from New Zealand; and reintegration into New Zealand. The last would lead to abolition of the Niue Assembly and the cabinet, and their replacement by a local government administration of some kind—an unappealing prospect for Niue's politicians. The various options are to be explored by a joint consultative group composed of officials from Niue and New Zealand. The New Zealand three-person team includes the director of the Foreign Ministry's South Pacific Division, an official from its legal division, and a Treasury official.

While some New Zealand officials may be contemplating weaker links to Niue as a way of saving money, Niueans can be expected to be vigilant about safeguarding current constitutional relationships guaranteeing citizenship and at least a measure of

financial support. A 1991 review recommended that the present arrangements for New Zealand citizenship for Niueans be retained, but suggested that a concept of "Niuean identity" could be developed as a possible first step toward Niuean citizenship. In addition to the citizenship issue, the government's Constitution Review Committee is considering the question of control over Niue's external affairs. Its report is due to be presented during 2000, first to the Assembly, and then to the joint Niue–New Zealand consultative group.

Ties with New Zealand were bound to be affected by the change of government there. The election of a new Labour-Alliance left-of-center administration has introduced a new set of faces for Niue's politicians to deal with. Whether there will be changes of policy, however, is another matter. Not surprisingly, Lakatani prefers an end to New Zealand's recent practice of reducing budgetary aid by NZ\$250,000 each year. There are even hopes of a reimbursement for previous reductions, totaling NZ\$1.25 million, with the funding going toward a 10 percent cost-of-living allowance for the island's 430 public servants.

Niue's ties to New Zealand are still its most important—not only because of the aid received from New Zealand, or the access made possible by Niueans' possession of New Zealand citizenship, but because of the ongoing constitutional relationship that exists between them. Premier Lakatani's plans to establish ties with China, for instance, provoked a response from then minister of foreign affairs Don McKinnon that Niue would need to consult with New Zealand before establishing links with China or

indeed any other country. Although constitutionally correct, it is difficult to understand why New Zealand should have been in any way concerned about a widening of Niue's international contacts. New Zealand has its own ties with China—one of its major trading partners—and any assistance that could be provided by China would in some way take pressure off New Zealand as Niue's main donor country. Niue has also been seeking aid from Taiwan and South Korea. The possibility of the island gaining aid from both Taiwan and China was in itself, however, somewhat ambitious.

Despite uncertainty about the future direction of the Niue–New Zealand relationship, preparations have begun for centennial celebrations commemorating the connection. Niue was proclaimed a British protectorate in 1900 and on 11 June 1901 it was formally annexed to what was then the Dominion of New Zealand. At that time, the population of Niue was 4,600: nearly a hundred years later, there are about 1,700 people on the island, a remarkable population implosion ultimately attributable to the island's ties to New Zealand. At present there are 517 occupied homes on Niue. The village of Namukulu, the island's smallest, has only nine households and twenty residents. The capital, Alofi, has 655 people, a drop of 77 since the 1997 census.

The government's precarious hold on power comes at a time when, ironically, its political stability has been identified as an important factor in a major initiative and investment. An agreement between the government and the International Medical Education Planning Committee, based in the

United States, has led to the establishment of the Lord Liverpool University George Washington School of Medicine on Niue. The university, which is not affiliated with any other similarly named institution, is similar to other such entities set up on Caribbean islands. Niue's reputation as a safe and secure environment, politically stable and free from international conflict, seems to have attracted the organizers to it. While it was expected that about fifty students would attend the first-year medical course, contributing to Niue's economy and, no doubt, to its overall standard of medical care, when the university opened in May 2000 there were only about fifteen students. Two places have been set aside for Niuean graduates with a BA or BSc degree. The medical school is projecting a combined student and teacher population of between six hundred and a thousand people over the next five years—a high proportion of Niue's total population and likely to have a substantial impact on the island, both economically and socially.

The courses offered are for medical degrees recognized by Niue and by the World Health Organization (WHO). At its opening, the university campus was located at what has been, until recently, the Niue Hotel, where there are to be lecture halls and a medical library. According to the medical school's website, there are plans for a permanent campus, with "impressive buildings, interwoven with the community," to be built on 10 acres of land south of Alofi.

The Niue Hotel itself, twenty-five years old, had been put up for sale by the government. Although refurbished at great expense following Cyclone Ofa in 1991, the hotel has been expe-

riencing poor occupancy rates for some time and has been surpassed in quality by the equally beleaguered Matavai Resort. With the opening of the medical school, the hotel finally ceased to function, the property having been leased for at least three years by the university.

At the same time, an overdue upgrade is also being carried out at Niue's Lord Liverpool Hospital. The renovation project, part of a larger health-care program funded by New Zealand's Office of Development Assistance, has been made possible through WHO support. The Niuean health service was also to benefit from a new chiropractic service, based on the university campus.

Political changes in the Pacific region have also had their effects on Niue. All twenty-one Niuean students at the University of the South Pacific were evacuated from Suva following the armed coup in May 2000, and most flew on to New Zealand. Lakatani joined with other Pacific leaders in condemning the Fiji coup attempt. Subsequent developments in Fiji and the Solomons gave Niue its own mini-security scare. An apparent warning to Lakatani, made on an Internet chat-site, led to the provision of additional security at both his home and office, as well as a bodyguard for his travel to New Zealand in June. That journey culminated in a visit to the west African state of Benin, where Niue's ongoing bid to broaden its international ties was producing a further and potentially significant success. Lakatani was attending the European Union-African, Caribbean, Pacific (ACP) meeting, at which Niue succeeded in gaining membership in the ACP group prior to signing the Suva Con-

vention, the successor to the Lomé Convention. Niue expects to gain specialized aid and trade development assistance from its formal relationship with the European Union. Niue also hopes to join the Asian Development Bank during 2000, reversing the bank's previous rejection of its application and opening the way for further funding for a variety of development projects.

Despite its minority status, the Lakatani government has continued its "think big" approach to development, perhaps in an attempt to demonstrate to New Zealand that the island can at some point achieve financial independence. It is worth reflecting on the scope and scale of what the Niue Cabinet has been seeking to achieve. Since taking office there have been, as noted, plans for a new airline (unsuccessful) and the opening of a new medical school (under way). But these are but a few of the projects contemplated by the cabinet. Others include a 3,000 acre herbal medicine orchard; a NZ\$50 million golf course; a NZ\$300 million "cyber city"; a 150-room resort and casino; the sale of residential estates for retired Koreans eager for sea and sun; another golf resort concept, to be developed by and for Australian investors; a project for manufacturing alternative energy units; and various information technology proposals.

Perhaps the most imaginative of all these ventures is the "cyber city," which requires legislation setting up a Niue Multi-Media City Authority. The plan, promising NZ\$500,000 a month royalties to the government, would use hundreds of hectares of "indefinitely leased land" to be administered by a government-controlled authority, which would in turn give a license to

a corporation to operate the “cyber city.” The project anticipates establishment of an Internet university (20,000 students) as well as a facility with two hundred companies engaged in multi-media, information technology, and research and development activities. In addition to the projected government rental income of NZ\$6 million annually, the scheme would open up important new job opportunities for skilled Niueans, some of whom could perhaps be induced to return “home” from New Zealand. A public launch for the project has been targeted for later in 2000.

The Niue People’s Party’s appeal—like that of many populist parties worldwide—has been based, in part, on promises of financial largesse to the less well-off. Some of these hopes have already been achieved, accounting for the party’s continuing popularity. There have been increases to pensions as well as additional funding for village councils and other organizations. The price has been high—a substantial budget deficit, expected to reach about NZ\$1.5 million—as spending has not been offset by increases in revenue. The financial shortfall may lead to a reduction in public servants’ working hours (to a four-day week).

Midway through 2000 the position of the government remained precarious at best. In June a motion supporting a request that Lakatani leave office failed on a 9–9 assembly vote. The opposition had intended to move a motion of no confidence—the second in six months—but due to overseas travel plans on the part of some assembly members, the motion (which would have required the Assembly to reconvene at a later date) was with-

drawn. Lakatani has indicated, however, that he will not voluntarily vacate an office which he waited a long time to win, and he has requested that there be no further discussion of the idea. In any event the tied vote prevented further assembly debate for the moment. The request for Lakatani’s resignation was prompted by continuing concern about Coral Air and about some of the other plans to assist overseas developers with the various resort and information technology projects.

Other, more unusual financial concerns are also having an influence on Niue’s political and economic affairs. These developments raise questions about the future of both the island and its leader. Problems with Niue’s international reputation took an unexpected turn when it was included on a blacklist of international tax havens published by the G7 industrial group of nations. The G7 report named Niue as one of a group of nations, many of them Pacific Island states, failing to meet accepted criteria against money laundering, including the enforcement of regulations for financial disclosure. The G7 group, known as “the Financial Action Task Force,” went so far as to caution countries against making any transactions with people and businesses in blacklisted countries.

Niue can ill afford sanctions against it for alleged money laundering. The prospect of financial penalties has been of concern to both the New Zealand and the Niue governments. Niue maintains that it already has in place stringent banking legislation and that the entire matter arises out of some sort of bizarre misunderstanding. Even so, claims that Niue’s banking regula-

tions are inadequate, and may be being exploited for criminal purposes, are likely to lead to some steps being taken to close remaining loopholes. On the other hand, it is possible that by doing so it will remove some incentives for depositors to lodge their funds in Niue in the first place. There are six offshore banks registered on Niue—none of them physically present on the island—as well as 4,800 international business companies registered for tax-haven benefits.

The premier's problems, perhaps more imminent, stem from the likely immediate effects of a failure for them to be solved. His personal financial position has led to the commencement of bankruptcy proceedings over his business dealings with a New Zealand-based company. The service of bankruptcy papers arises out of Lakatani's failure to repay a NZ\$30,000 debt to an Auckland businessman. Once stamped and formally approved by the court, service of the papers would give the premier just fourteen days to have judgment set aside or to make a counter-claim.

There are serious political implications if the bankruptcy proceedings succeed. Lakatani—ironically Niue's minister of finance as well as its premier—faces disqualification from parliamentary office, and consequently loss of his assembly seat and cabinet position, if he is declared bankrupt. This would be a novel contribution by Niue to comparative political science, adding “bankruptcy” and “non-payment of debt” to the category of instruments—coups, no-confidence votes, election defeats, impeachments, and assassinations—available for replacing a head of government.

STEPHEN LEVINE

SĀMOA

The issue that made the most headlines in S moa in the period from July 1999 to June 2000 was the murder of the minister of Public Works, the S moa Water Authority, and the Electric Power Corporation. Other important issues included by-elections, the electoral reform commission, the Olympic sports dispute, and the nurses' strike.

Events of the night of Friday 16 July 1999 shocked the tiny Samoan nation and the world. A ceremony to mark the twentieth anniversary celebration of the Human Rights Protection party (HRPP) was being held at St Joseph's College hall at Alafua, about 10 minutes drive inland from Apia. Minister Luagalau Leva'ula Kamu and Tuala Sale Tagalao, Minister of Land, Survey and Environment, were co-masters-of-ceremony. Luagalau was shot at close range, a few minutes after introducing the prime minister, as he walked to the back of the stage to answer a cellular phone call from a relative. He was fatally wounded by a single shot from a .223 calibre rifle. At about eight o'clock, he was taken to the national hospital, where he died thirty minutes later (SO, 18 Jul 1999). Luagalau's body was laid to rest at his home in 'Ululoloa on 22 July. Among the dignitaries who attended the funeral were the New Zealand members of parliament Murray McCully and Tau Henare, accompanied by the Samoan members of the New Zealand parliament Arthur Anae of the National party and Phillip Field of the Labour party.

S moa tried to come to terms with its first political assassination in modern times. Well known as a peaceful people who pride themselves in their

culture, which they believed could solve their differences through the exercise of oratorical skills and wit, Samoans found it difficult to believe that the assassination of Luagalau had taken place in their homeland. As one Samoan wrote, “What is happening to our country? What is happening to the heart of Polynesia, the place that we’ve been promoting as one of the safest countries in the world? . . . I grieve for Samoa” (SO, 21 Jul 1999).

Luagalau was educated in Samoa before entering the University of Hawai‘i where he graduated with a master’s degree in political science. He returned to Samoa and worked in the foreign affairs section of the Prime Minister’s Department before winning a government scholarship to study for a law degree at Auckland University in New Zealand. He returned to Samoa and established his own law firm with his wife, who had graduated with Master of Laws from the same university. After a long involvement in various committees of the Human Rights Protection party (HRPP), Luagalau won one of the two seats of S lea constituency on Savai‘i Island in the 1996 general elections. He was appointed to the cabinet by the late prime minister Tofilau Eti Alesana and given the portfolios that he held at the time of his death.

In the next few weeks, events leading to Luagalau’s violent death unfolded, and on 27 July, thirty-four-year-old ‘Alatise was arrested and charged with his murder (SO, 28 Jul 1999). ‘Alatise is a son of Le‘afa Vitale, then incumbent minister of women’s affairs. On 3 August, the HRPP caucus dismissed Toi and Le‘afa from the party (SO, 5 Aug 1999). Earlier the same day, Le‘afa’s appointment

as minister of women’s affairs was terminated. On 4 August, sixty-seven-year-old Toi Aukuso Cain, former minister of Post Office and Telecommunication in the HRPP government, was charged in connection with Luagalau’s murder, and on 5 August, fifty-six-year-old Le‘afa was also charged. (SO, 6 Aug 1999).

Effective from the same day, a security system was instituted at the main government building, which housed most government departments. On 6 August, ‘Alatise admitted to the shooting of Luagalau in the supreme court and was given a mandatory death sentence. Toi and Le‘afa’s four-month trial started on 17 January, and on 12 April, they were convicted of the same crime and also received mandatory death sentences. As the attorney general explained in court “if other parties were involved in aiding, abetting, counseling, inciting to murder, they too are equally responsible for the crime” (quoted in SO, 18 Jan 2000). On 10 May the head of state commuted all three sentences to life imprisonment (SO, 13, 14 Apr 2000; 12 May 2000).

Evidence presented in court revealed that Toi and Le‘afa had conspired to shoot Luagalau between 1 April and 16 July 1999 (SO, 18 Jan 2000). They ordered ‘Alatise to kill Luagalau (SO, 23 Feb 2000) after Ene-liko Visiesio—Toi’s employee, whom they had hired to do the deed—withdraw. Toi and Le‘afa had also wanted to murder other high-ranking government officials. Le‘afa believed that the prime minister, the minister of land, survey and environment, and Luagalau wanted to take land away from him—a block of land behind the HRPP headquarters at Mulinu‘u

peninsula on which he had built a nightclub and bar (SO, 18 Jan; 23 Feb 2000). He was also angry that his ministerial portfolios had changed from Public Works, Electric Power Corporation, and S moa Water Authority to Post Office and Telecommunication, then changed again to Women's Affairs—a perceived demotion from powerful portfolios to less influential ones. Toi was unhappy that his tree-felling contract with Le'afa had been terminated by Luagalau. Both men were angry that the same three ministers wanted to take all their power away, among other grievances (SO, 24 Feb 2000). The chief justice was also on their list because Le'afa was unhappy at losing a land and titles court hearing relating to titles in his village, Malie, and blamed the chief justice for it (SO, 18 Jan 2000; see also So'o 2000, 241).

The murder trial drew strong public reaction. One Catholic priest blamed the assassination squarely on the political party system, writing, “[the] wisdom of the political party system has now revealed its evil side by the slaying of such a prominent *faipule* [member of parliament] for the sake of party power. . . . [T]his foreign party politics is totally un-Samoan. Where has party politics led S moa? By the look of events, straight to hell” (SO, 31 Aug 1999).

The leader of the opposition S moa National Development party (SNDP) stated that the death of Luagalau was an indication of serious corruption in government departments. In his opinion, S moa should follow South African President Nelson Mandela's model of a truth and reconciliation commission with wide-ranging powers to call witnesses and gather documents. Only

then would it be possible to establish the extent of corruption in S moa. He also referred to the sacked chief auditor's 1994 report, in which references were made to corruption in high places (SO, 17 Aug 1999). Toi testified that the reason for the competition among members of parliament to hold the Public Works portfolio is “because that is where the money is. That is where you get the money under the table” (SO, 26 Mar 2000). One writer commented that the “naked greed of selfish men went unchecked for too long under this government and now the country must bare its festering wounds for all to see” (SO, 17 Aug 1999).

Because of the “naked greed of selfish men,” the same writer called for the government to resign and advised fellow Samoans to take responsibility for their actions: “We vote with our stomachs and not our consciences. We vote on the basis of how well politicians provide for us, not on the basis of good policies, even less good character” (SO, 17 Aug 1999). The same sentiment was echoed in parliament by a senior member of the opposition party. Fuimaono Mimio reasoned that because there had been a murder during the term of office of the present administration, parliament should be dissolved and new elections called. Minister of Education Fiam N omi responded that there was no law requiring the government to resign (SO, 22 Aug 1999). On the issue of corruption, Prime Minister Tuila'epa Sa'ilele said that allegations that his government was riddled with corruption came from opposition troublemakers desperate to get their hands on power. “There are a lot of Opposition-inspired allegations about corruption

etc, and the Opposition are doing their own work to try and rubbish what the Government is doing,” he told an Auckland news reporter. “When we took Government again in 1996 we had in our own manifesto a strong undertaking to proceed with the principles of good government, specifically relating to transparency and accountability regarding Government tenders. [Luagalau] was one of those who was very strong on transparency and tried to ensure that the same transparency applied to his own department” (SO, 12 Aug 1999). Tuila’epa vowed to continue with the anti-corruption drive that cost Luagalau his life (SO, 12 Aug 1999).

The public had mixed reactions when the head of state visited Le’afa and Toi in prison on 29 April 2000, three weeks after they had been convicted. One eyewitness reported that the visit “so touched the hearts of prisoners that they wept when [the head of state] arrived at Tafa’igata prison for an unexpected visit” (SO, 4 May 2000). If some prisoners appreciated the visit, some members of the public questioned its appropriateness. Was it because the two men are former ministers? If so, why should they be any different from other prisoners? As one prisoner said, “In my whole time I have spent in prison, nearly my whole adult life, I haven’t seen or heard of His Highness visiting prisoners” (SO, 4 May 2000). Did the head of state’s visit mean that he sympathized with the two former cabinet ministers? More questions were asked when after only two months in prison, Le’afa and Toi were allowed to spend a weekend with their respective families. They must have been allowed to leave the prison without proper per-

mission, because they were with their families for only two hours before being taken back—at an order from the prime minister. The police commissioner knew nothing about it, and at the time of writing police were investigating the release of the two men (SO, 6 July 2000).

Luagalau’s parliamentary seat was contested by two HRPP candidates, two SNDP candidates and one independent. Independent candidate To’omata Alapati Po’ese won the by-election on 19 September 1999 by 514 votes. The two HRPP candidates, Loli Ioane and Tuis lega S leni Farani, received 415 and 180 votes respectively. SNDP candidates Tapua’ Kelima and Alos moa Iosefa obtained 377 and 147 votes respectively.

Despite having their membership in the Human Rights Protection party terminated on 3 August 1999, Le’afa and Toi retained their parliamentary seats until their conviction on 12 April 2000. Matatauali’itia ‘Afa Les and Leituala Tone Tu’uaga were sworn in to cabinet on 13 August 1999 to replace the portfolios of Luagalau and Le’afa respectively (SO, 15 Aug 1999). Both are in their first parliamentary terms. By-elections were held in Le’afa and Toi’s former constituencies on 23 June 2000. In Le’afa’s constituency, Sagaga-le-Usoga, of the two HRPP candidates, Muagututagata Peter Ah Him won with 631 votes to Fata Pemila’s 574. Independent candidate Fa’amausili Faig gained 77 votes. The other independent candidate Ti lino P naia II came last. In Faleata West, HRPP candidate ‘Ulu V om I ‘Ulu Kini won Toi’s former seat with 571 votes; La’ulu Dan Stanley (HRPP) 402; Leatiogie It ‘au ‘Ale (a member of the new S moa National party,

founded on 27 April 2000) 340; Ma'ilo Sio (independent) 16; and Oge Mareko (independent) 55 (SO, 25 June 2000). In the constituency of 1 taua West's second by-election after the general elections of 1996, on 17 December 1999, another HRPP candidate, Ali'imalemanu Fa'al , was reelected, giving the party a 36-seat majority in parliament. The other 13 seats of parliament are occupied by 4 independents and 9 members of the S moa National Development party. In 1 taua West, a petition lodged by SNDP candidate Nonum lo Faig led to the disqualification by the court of both his own candidacy and that of Tua'i'aufa'i Tafua'upolu (SO, 16 Dec 1999).

With the 2001 general elections only a few months away, the cabinet appointed an Electoral Review Committee to look at the existing electoral provisions and recommend changes; it reported to parliament in the week of 10 April 2000 (SO, 13 Apr 2000). A further government commission to examine ways to improve the electoral system tabled its report on 26 June 2000. Based on recommendations in both reports, the government drafted amendments to the Electoral Act of 1963. The Electoral Amendment bill 2000 passed on 28 June. Some of its proposed changes follow.

First, those intending to contest parliamentary seats must reside in S moa for at least three years instead of the existing one. (Those appointed to international posts and their spouses are exempt.) The government's view is that the administration, control, and monitoring of Samoan affairs should fall on Samoan citizens living in S moa. The one-year residential requirement does not permit accu-

rate assessment of the internal situation in the village, the constituency, or the country (SO, 13 Apr 2000). Samoans residing overseas criticized the new residential provision, arguing that their contribution to S moa's economy through remittances was sufficient justification to maintain the status quo. Increasing the residential requirement to three years makes it difficult for them to contest parliamentary seats (SO, 14 May 2000).

Second, the candidate nomination fee increased from ST100 to ST300.

Third, the clerk of the legislative assembly will no longer be the registrar of electors and voters, or the returning officer. The existing situation, where one person holds all three positions, has received strong criticism. Perhaps because the clerk of the legislative assembly is a constitutional appointment of the government, the leader of the S moa National Democratic party stated, "The Registrar is blatantly partisan. The control of elections and registration of voters should come under an independent and non-partisan commission" (SO, 2 Feb 2000). The electoral reform commission agreed that the current "situation has a negative impact on public perception and assessment of probity in the operation of the electoral registration system" (SO, 29 Jun 2000). The commission also noted the legal anomaly in making the clerk—who is not a member of the public service—responsible to the Public Service Commission, and recommended that the position of registrar of electors and voters be placed in the Justice Department under the direction of the secretary for justice (SO, 29 Jun 2000).

Fourth, to have the right to challenge election results, unsuccessful

candidates need to win only a minimum of 25 percent of the votes won by the successful candidate, instead of the current 50 percent. The government believes that the right to protest against corrupt electoral practice is important. As it stands the provision can be read to encourage corruption on a scale sufficiently large to eliminate the possibility of achieving the 50 percent threshold. Moreover, it defeats the purpose of justice in that alleged transgression and violations of the law may be condoned by sheer weight of numbers (SO, 29 Jun 2000).

Finally, the number of judges of the supreme court to hear an election petition is increased from one to two.

The sports dispute made headlines for about ten months, following allegations of bribery of members of the International Olympic Committee (IOC), with which S moa's representative, Seiuli, was reportedly involved. On 6 July 1999, shortly after the IOC announcement that S moa's membership was terminated, IOC Director-General Francis Gerrard notified Seiuli that he could no longer be a member of S moa's National Olympic Committee (SNOC; SO, 12 December 1999). Nor should he represent S moa in the Oceania National Olympic Committee meeting in Lausanne in October 1999 (SO, 21 Oct 1999).

Seiuli, president of both the S moa National Olympic Committee and the S moa Sports Federation (SSF), did not step down from the presidency. He wanted to stay on for another year because of his role in organizing the S moa International Games in May 2000 (SO, 22 Oct 1999). It was revealed later that he also wanted to stay on until an SSF audit was completed so that he could defend himself

if he had to (SO, 16 Dec 1999). As an alternative, the executive board proposed to split the organization in two: The S moa National Olympic Committee would be responsible for Olympic sports while the Sports Federation (SF) would handle non-Olympic sports. Both bodies were to report to the S moa Sports Federation (SO, 12 Dec 1999). The meeting to split the organization took place on 19 October 1999. It was intended that the split would allow Seiuli to remain involved in sports without being tied to the S moa National Olympic Committee (SO, 22 Oct 1999), thus avoiding the IOC threat. What worried sports administrators was that with Seiuli still at the helm, the International Olympic Committee would not only refuse S moa's entry to the Sydney Olympic games in September 2000, but it might suspend annual funding of about ST500,000 to SNOC-SSF (SO, 22 Oct 1999). According to Leao Akeripa, newly elected SNOC president, the push by the executive board to split the mother organization was the "basic cause" of the rift between the two rival bodies. And it was Seiuli who instigated the split (SO, 12 Dec 1999).

Other sports administrators did not believe that splitting into two sports bodies would remove the IOC threat. As long as Seiuli was involved in the S moa International Games 2000, he was also involved in Olympic sports. Three of the main sports in the S moa games are Olympic sports. Two attempts were made to move a vote of no confidence in Seiuli and the executive board (SO, 22 Oct 1999), for reasons that included the questionable financial status of SNOC-SSF, the future uncertainty of sports given the IOC

threat, the push by the board to split the organization, and Seiuli's leadership style (SO, 1 Dec 1999). Both attempts failed. Seiuli in the chair would not put the motion (SO, 3 Dec 1999). His supporters argued that there was nothing in the constitution that allowed such a motion. In the SSF meeting on 30 November 1999, Leao Akeripa was suspended, along with two others who had by then been elected as SNOC board members.

Seiuli eventually resigned from the SSF presidency on 2 December 1999, and Tuala Misi was elected to the position. According to one SSF board member, Seiuli had tendered his resignation in late September 1999, but the board had asked him to stay on until the "heat" between Samoa National Olympic Committee and the Sports Federation had died down (SO, 3 Dec 1999). At about the same time, Tole'āfoa Tautulu Roebeck, a SNOC board member who was also the vice president and a board member of Samoa Sports Federation, tendered his resignation to Leao. According to Tole'āfoa, he could not see the two bodies working together. Ten Olympic sports bodies indicated that they were also defecting back to the Samoa Sports Federation. They were joined by three athletes who had already qualified to compete in the Sydney Olympics (SO, 3 Dec 1999).

In a move the public welcomed, the government stepped in when the dispute worsened (SO, 27 Apr 2000). An editorial in the *Samoa Observer* suggested that "the government should step in, dissolve the organisation and save public resources from being wasted" (SO, 3 Dec 1999). Consequently, Leota Lu II, minister of Youth,

Sports and Culture, stopped funding from the Australian-based lottery agency Tattslotto to the Samoa Sports Federation (SO, 19 Dec 1999). The lawyer Le'aupepe Sanerivi became the government-appointed mediator whose task was to resolve the dispute. After several unsuccessful attempts, a meeting of the two rival bodies on 4 April came to a compromise. Tuala Misi stepped down from the presidency of the Sports Federation before he and Leao Akeripa, president of Samoa National Olympic Committee, were reappointed president and vice president respectively of the Interim Committee under which the unified sports organization called SNOC-SF is administered. No vote was taken, as the compromise between the two presidents had been reached two days before. The meeting of all sports bodies simply endorsed their decision (SO, 5 Apr 2000). Afterward, the minister of sports facilitated the release of funds from Tattslotto to SNOC-SF (SO, 13 Apr 2000).

On 18 April, the minister of sports announced in a meeting with presidents of local sports bodies that the cabinet had unanimously called off the Samoa games. The decision had support in some sectors of the community (SO, 20 Apr; 2 May 2000). As the editor of the *Samoa Observer* wrote, the "Prime Minister and his cabinet did the right thing when they cancelled the Samoa Games planned for next month. . . . For that, they deserve everyone's congratulations, and respect" (SO, 20 Apr 2000). The cabinet's decision reflected the lack of general support in the Interim Committee. The government was probably also uncertain about the ability of a

SNOC-SF to fund the S moa games, which were to take place a few weeks later (SO, 19 Apr 2000), and there was no time to prepare for the games as considerable time had been eaten away by the dispute. The prospect of negative implications for Samoan sports, and more particularly administrators, did not reverse the cabinet's decision.

The dispute worsened. The rival organizations SNOC and SNOC-SF not only went their separate ways but accused each other of causing the deteriorating situation. Leao reportedly tried to establish a new SNOC-SSF as the mother sports organization (SO, 24 May 2000). In turn, Tuala Misi accused SNOC of pretending to be the old SNOC-SSF (SO, 28 May 2000). Tuala also said that the establishment of two bodies in the first place was never approved by S moa Sports Federation. Instead only SNOC was to be established and was to come under the S moa Sports Federation (SO, 16 Dec 1999). As the rift deteriorated, the government stepped in to provide leadership direction. In May, the secretary of the Youths, Sports and Culture Department took over the administration of all sports (SO, 22 June 2000). Some sections of the community doubted the sincerity of the government's motive in taking over. Leao explained that standard IOC policy is that it only recognizes S moa National Olympic Committee and not the government (SO, 28 May 2000). Some thought that the government was supporting the Sports Federation to the disadvantage of the S moa National Olympic Committee. Sports Federation's presidential candidate in the election, to be chaired by the prime

minister on 6 July, to choose new officers for a new unified organization was the prime minister's brother-in-law (SO, 25 June 2000). It became clear that the public had lost confidence in the Interim Committee. Chaired by the prime minister, the meeting of all sports bodies on 6 July 2000 elected Leao president of SNOC-SF along with new office holders and committee members. The ten-month dispute had finally ended, although there are still murmurings of disapproval among some sports bodies, including some SF members and their presidential candidate, who boycotted the elections (SO, 7 July 2000).

The S moa Nurses Association (SNA) has a reputation for bending the will of the government to their favor through industrial action. Their strikes in the 1980s resulted in major changes in the nursing and health administrations. On 12 April 2000, they again considered taking industrial action. For four years, their representatives had been negotiating a salary package with government officials and had proposed a starting salary of ST12,000 for nurses with a Diploma of Nursing (SO, 21 Apr 2000). The proposed figure was first dropped to ST10,000. Later the Public Service Commission agreed to the reduced figure of ST9,000 (SO, 2 May 2000). However, on 12 April 2000 the cabinet settled for the figure of ST7,395 and decided that their 5 percent pay increase would be effective on 1 January 2001. When the news was conveyed to the association, its president, Mrs Fa'amanatu Nielsen, was outspoken about her unhappiness. Despite the dissatisfaction expressed at the meeting attended by 150 nurses, members of

the executive board were able to talk them out of immediate industrial action.

Increasing the starting salary of nurses who hold a Diploma of Nursing is one way to encourage qualified nurses to remain in the service. Annual wages for enrolled nurses ranged from ST2,000 to ST4,000 and for registered nurses from ST6,000 to ST8,000. Some retired nurses still receive ST6,000 to ST7,000. One result of the present financial troubles is an acute shortage of nurses. Whereas the international ratio of nurses per patient is one to three, in S moa it is one to twenty. According to Mrs Nielsen, four hundred nurses are needed for the service, but it could only employ three hundred. Most of those who have left for training and better opportunities overseas were the young ones. According to a lecturer in the Faculty of Nursing of the National University of S moa, "You could only do so much nowadays with a focus on your livelihood. Nursing [must] be marketed in a way [that those in the service can] be proud of" (quoted in SO, 21 Apr 2000).

When nothing came of attempts to have the government reconsider its decision of 12 April 2000, the S moa Nurses Association resolved to strike on 1 May 2000. All routine services would cease except essential services for obstetrics, the operating theatre, the high dependency unit, and the accident and emergency unit. Only a skeleton staff would be provided for emergency services. The strike was intended to last for seven days pending a cabinet decision (SO, 23 April 2000). Negotiations continued until Saturday 29 April, when a resolution

was reached. However, time was needed to implement the agreement. The association also wanted it confirmed in writing. For these reasons, amid much anger among the nurses that their demands were not met in time, the SNA executive persuaded its members to postpone the strike until Friday, 5 May. On that day, the strike was called off. Although their demands were not met in full, the nurses were content with the compromise. Diploma graduates would still get a starting salary of ST7,395. However, their pay increase was backdated to 1 January 2000, not a year later as in the original cabinet decision (SO, 5 May 2000).

The planned nurses' strike had the support of the Public Service Association (PSA) and the S moa Trade Union Congress (STUC), the umbrella of trade unions in S moa. On learning about the planned strike, Su'a Viliamu Sio, STUC secretary general, not only assured the nurses of his organization's support, but immediately called on other affiliated and friendly organizations to determine the best way for all workers in S moa to support them (SO, 28 Apr 2000). Despite PSA support of the proposed SNA strike, it was being criticized in some sectors of the community. People asked why the Public Service Association was not pushing for better wages and salaries for its members. One unhappy PSA member wrote, "Why is the PSA not fighting the government for better wages and improved working conditions, for all? Is it because the government has allegedly given preferential allocation of corporations board seats to the PSA? I think that for the betterment of the PSA, all board seats should be given back to government

and the PSA should decide on what are its CORE FUNCTIONS and core activities” (SO, 2 May 2000).

There was a call for the public to support the nurses’ association. An editorial in the *S moa Observer* urged that “If the strike goes on this Friday [5 May], the nursing fraternity should not be frowned upon as they have a valid argument” (SO, 3 May 2000). Commenting on the averted strike, Minister of Health Misa Telefoni said, “I defend any person’s right to strike. It is a basic human right. The nurses did what they felt they had to do in the best interests of their members” (SO, 7 May 2000). Misa’s comments showed him as a man of principles, except that they came after the strike had been averted. The Public Service Association, the S moa Trade Union Congress, Misa, and the public probably did not need to support the proposed strike after all. With the general elections early next year looming large in the mind of the government, it is almost certain that whatever settlement it came up with would have been agreeable to the nurses. As one of the more experienced unions in the country, the S moa Nurses Association knew when to make their wishes known to the government.

ASOFOU SO‘O

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TOKELAU

A Green Paper titled *Tokelau Public Service: To Preserve by Changing* (SSC 1999), presented to the General Fono in June 1999, proposed several models for changes in the public service. Its major outcome was the promotion of the Modern House of Tokelau project (MHT). The Modern House of Tokelau concept dates back to 1997 and 1998, when the Tokelau elected leadership expressed a wish to “return to the villages” as the main centers of governance and administration. The localization of all human and physical resources would be included, as well as management and administrative structures. Promoted as “the reconstructed house of Tokelau,” the project is envisaged to encompass all institutions and agencies, including those previously considered “independent,” making them accountable to the Tokelau leadership.

Leading on from the “posts” identified in 1998, the year 2000 saw commitment and efforts by Tokelau’s leadership to continue with the building of this modern house. The New Zealand government representatives in these deliberations also expressed their nation’s commitment to providing additional resources specifically for this project. These assurances renewed Tokelau’s focus on the project and the drive toward achieving its objectives. The project became the subject of a number of discussions between Tokelau Public Service Commissioner Aleki Silao, and members of the Council of Faipule—consisting of three elected government officials representing three villages—which is the executive arm of government.

The key issue in these discussions was how to support the Tokelau leadership in the process of achieving the project. Among the issues explored was the need to bring together all the desired skills and experience from the atolls, as well as from Tokelauans overseas, with the aim of assisting the leadership in their decision making about Tokelau's future. The guiding principles envisioned for this support were "partnership" and "leadership."

The interrelated topics discussed in the meetings centered on three general concerns. First, effective leadership and representation were considered vital aspects of the project in that they would help steer a course toward the establishment of a solid foundation for the Modern House of Tokelau. Second, the leaders saw a need to formulate a long-term development plan that would take into account the issues considered major barriers to Tokelau's progress. It would include reviews of the strengths and weaknesses, as well as perceived threats, of current Tokelau governance and administrative structures. Third was the need to look at investment, capacity building, and development of infrastructure.

As a result of these deliberations a proposal was made for a two-team approach to MHT issues; the first team would maintain the current operations of the Tokelau Public Service, and the second would be a transition team to develop a strategic framework to highlight how the project would progress. Options were then considered on how to proceed with the MHT project at a pace determined by the leaders of Tokelau. Public Service Commissioner Aleki Silao prepared a summary of the preliminary

discussions for the Council of Faipule (Silao 2000a). It proposed two options for the Council of Faipule and the three *Pulenuku* (elected village mayors) to debate before the June sitting of the General Fono. The first option was for the three *Faipule* and the three *Pulenuku* to visit all three *Taupulega* (village councils). The second was for each village council and *Faipule* to discuss the proposal among themselves with the assistance of the public service commissioner. With each option, the objective was to reach consensus on the merits of the proposed project.

The Council of Faipule chose the first option and, with the availability of the *MV Tokelau*, the *Faipule* and *Pulenuku* visited and held discussions with the three village councils. All endorsed the proposed project and expressed full support for it, noting that past leaders also shared this dream. Despite the consensus, the village councils advised a "make haste slowly" approach. The elders predicted rough seas ahead and cautioned that Tokelau must proceed with care. The tasks relating to the project, they counseled, must be based on the traditional way of life while recognizing the uniqueness of each village.

Five of the points raised during the deliberations were:

- The main reason for the dual authority experienced in Tokelau since the 1970s was the establishment and strengthening of the Tokelau Public Service in S moa.
- From the beginning, Tokelau's "stern paddle" has always been the three village councils.
- The MHP project does not include any timetable from the United Nations, but is directed toward

Tokelau's preparation for self-government.

- At present the villages are not capable of delivering certain activities and services; therefore a central government body must provide them.
- Women's representation in the village councils is one of the issues that must be addressed in the house-building process.

The project proposal was officially endorsed by the General Fono of 29 June 2000. It was the product of close collaboration among Tokelau Public Service Commissioner Aleki Silao, Administrator of Tokelau Lyndsay Watt, Tokelau Constitutional Advisor Tony Angelo, and officials from the New Zealand Overseas Development Agency and New Zealand Audit.

Three key groups have different roles to play in the project. The first is a Joint Committee, the organizers, comprising the Council of Faipule, the Administrator of Tokelau, and the Tokelau Public Service Commissioner. To reflect the spirit expressed in the MHT project to reempower Tokelau's traditional leaders, the public service commissioner proposed successfully that the three *Pulenuku* be included in this committee. The second group is the Transition Team, the facilitators, made up of four members—two from the Tokelau Public Service and two seconded from the New Zealand Public Service. This team is to provide the necessary skills to support Tokelau in implementing its modern house. Some of their specific roles include reviewing and collating all ongoing services and projects, whether operated by the government, the village, or nongovernmental organizations. They will also

undertake analyses, highlighting the main ideas expressed in the Green Paper (SSC 1999), and will follow up decisions by the three village councils and the General Fono. The third group will include action teams with responsibilities for implementing activities to resolve key issues.

The Transition Team met in Apia in May to prepare MHT-related documents for the June General Fono. Among other things, the team highlighted the main ideas expressed in the background papers on the MHT concept. Other sources reviewed included mission statements and documents authored by either Tokelau or New Zealand officials since the 1980s. One of the key ideas identified was "The foundation upon which Tokelau is built, and still remains . . . is the village." They also noted that there is now recognition by all parties (Tokelau, New Zealand, the United Nations, and others) that the traditional leadership, namely the village councils, represents the source of Tokelau authority; that the pursuit of self-government has been an agenda item for some time; and that several attempts have been made to achieve this objective. Models have been implemented based on New Zealand experience (such as governance and public sector reforms).

The MHT project has not officially started yet, but with the approval of the three councils and the General Fono, the Joint Committee will hold its first meeting in Apia in August. They will consider a number of activities relating to the project for the council elders to approve before implementation, thereby marking the beginning of the dreams envisioned in

the project: "Re-empowering our elders, strengthening the villages as the foundation of the nation, and economic development, leading to returning the spirit of self-help and to the greatest extent possible, the legacy from our forefathers, are the three central themes of the modern house of Tokelau" (General Fono 1999). Time may be the chief witness to the fulfillment of these aspirations.

KELI KALOLO

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TONGA

The most important event of the year turned out not to be Tonga's claim to be the first country in the world to witness the new millennium. This bid was hotly contested and, if worldwide media coverage is considered the judge, won by Kiribati in any case. Rather, it was the 3 January appointment as prime minister of the king's youngest son, HRH Prince 'Ulukalala-Lavaka-Ata. The prince, who is in his forties, is married to the eldest daugh-

ter of the retiring premier, seventy-nine-year-old Baron Vaea, and has a teenage daughter and two sons. As the Crown Prince remains unmarried, the new prime minister or his eldest son conceivably could succeed to the throne. The prime minister has been educated overseas, his latest degrees being in strategic policy and international relations gained at master's level from universities in the Australian Capital Territory and in Queensland. His appointment to office appears to be in line with the wishes of the Crown Prince, who declined the post largely because he would not have been able to appoint his own cabinet ministers, a prerogative that belongs to the reigning monarch. Instead, the older brother will concentrate on his business affairs and undertake other activities on behalf of his aging father, who turned eighty-two on 4 July 2000. Hopefully, his younger brother will give youthful momentum to government leadership. Although it was rather a surprise, the last six months has shown the appointment to be a popular and effective one.

The major political issue continues to be the state of the economy. The last elections showed a decline in fervor regarding the movement toward democracy in favor of elected representatives who were more likely to come to grips with the problems of the struggling private sector. While tourism has shown some progress and, during the widely touted millennial celebrations, made some gain from Tonga's location on the International Dateline, most other major industries, except fisheries, are showing little progress. The tertiary sector has

grown at a greater rate than other sectors over the last ten years, due mainly to the addition of two commercial banks, and businesses belonging to the Crown Prince, the Princess Royal, and a few prominent commoners. Agriculture appears in decline as far as the value of production for both the local and export markets is concerned. Both of the “hopefuls,” tourism and fisheries, need substantial investment from overseas to realize their potential. It is widely hoped that the new prime minister, with or without his brother’s guidance, will be able to provide ideas, confidence, and cohesion in a more concerted and, importantly, a more coordinated, push for economic growth.

Just before the conclusion of the year under review and after much discussion, the Tongan parliament finally passed a T\$43 million budget. Following a cabinet decision in May, an estimated T\$3.5-to-4 million of it will be spent on a 20 percent increase in the cost-of-living allowance for all civil servants. This is the first major raise they have had for six years. Since 1989, two cost-of-living allowance increases have been awarded: one of 10 percent on 1 November 1995, and another of 5 percent on 1 July 1999. There is some speculation as to where the money for the salary increases will be found. The government announced it would make up the amount through cost-cutting and savings brought about by a more economical management of resources and a greater efficiency in its operations, especially in the collection of revenue arrears.

This optimism and, indeed, the entire budget were questioned in the Legislative Assembly. Dr Fred Sevele,

the Tongatapu Number 2 People’s Representative, asked how the government can afford a pay hike for public servants when, just a few months ago, the outgoing prime minister said the country was on the verge of bankruptcy. He fears that the government will be forced to curtail its services to meet the projected pay raise, 10 percent of which will be awarded from 1 July 2000, and 10 percent from 1 January 2001. Minister of Finance the Honorable K T Fakafanua replied that the economy is growing by 6.1 percent. Sevele said that he had no indication from the Tongan business community that the economy was growing at such a rate. “Obviously, the two statements from the [finance] minister and the former prime minister cannot both be true,” he said (TC, 22 June 2000, 20).

Indeed, the way the figures are presented makes for some confusion and ambiguity of interpretation. The budget statement for 2000–01 reports that the Tongan economy achieved an average annual growth rate of 2.8 percent over the last six years, an improvement over the previous five years. The 1999–2000 fiscal year was estimated to show a growth rate of 6.1 percent (in real terms), an increase from 4.6 percent recorded in 1998–99. The economy, furthermore, is projected to increase by 2 percent in 2000–01 (TC, 8 June 2000, *Kaloni-kali* Budget Supplement, 4). Presumably, these calculations arrive at the quoted figure of over 6 percent.

During this period, the government will undertake also a T\$14 million program loan from the Asia Development Bank designed to encourage private sector-led economic growth,

through policies conducive to increased investment and employment, and to improve the delivery of services by the public sector. The program will review the current civil service capacity and remuneration. As a result, argued the minister, it is vital for the government and the country at large to employ and maintain a competent and highly qualified civil service. Hence the raise in pay, presumably to prevent a trickle of top-level civil servants to the private sector. The loan will be used in part to finance the government's taking over of responsibility for telecommunication services following the close of the Cable and Wireless contract period, which coincided with the end of the current political and financial year. Koliniasi Afuha'amango, the seventy-two-year-old People's Representative for Vava'u, who after repeated tries finally entered parliament in a by-election held on 18 May to replace the late William Harris, was heard to

remark that the Asian Development Bank loan would merely float the civil service pay raise. The minister of finance failed to rise to this jibe.

Mr Afuha'amango works for the Tonga Human Rights and Democracy Movement, of which he has been a long-time supporter. The movement has not promoted a high public profile since it failed to gain the overwhelming victory that it expected in the last general elections held at the beginning of 1999. Sadly, also, its influential intellectual proponent, the redoubtable Futa Helu, has not enjoyed good health this past year. The future of the movement as a significant social force overall remains in doubt.

KERRY JAMES

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