

and causing “tensions” within cabinet (NZH, 13 May 1991). There were rumblings that it was a “separatist” policy contradicting mainstreaming, and opposed by Minister of Finance Ruth Richardson (NZH, 14 May 1991). At the heart of the matter was the NZ\$239 million budget needed to proceed with the Maori development plan laid out by *Ka Awatea*. Mainstreaming would mean the dispersal of the Maori Affairs vote to other departments. Although Mr Peters kept the Maori Affairs vote from previous years intact, a belated attempt was made to undermine his position by a leaked report of a government write-off of NZ\$90 million of bad loans on Maori land development schemes. “Anger in caucus” over the write-off was reported in the press, but it was ill conceived (NZH, 18 May 1991). Before the loans were written off, the minister sought advice from the Crown Law Office. It turned out that the government itself was liable, because the loans had been incurred over a thirty-year period by government officials within the old department of Maori affairs, and in more recent times by the outgoing Iwi Transition Agency. Many of the loans had been made without reference to the landowners. But the constructed reality in the media of *Ka Awatea* as being controversial was epitomized by the editorial headlines “Ka Awatea Kerfuffle” (NZH, 14 May 1991), and “Not another Maori Loans Row” (NZH, 16 May 1991). The views of the client minority of the government’s Maori policy, and the media construction of it in the press and on television, hardly figured at all. They were merely the victims.

Mr Peters, who has staked his politi-

cal future on *Ka Awatea*, now has only two years to implement it and resolve issues whose etiology is steeped in one hundred fifty years of colonial history. Although the obstacle of Pakeha hegemonic domination is formidable for a Maori of Mr Peters’ political skills, the challenge is worth meeting.

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NIUE

The year 1990–91 was one of limited recovery. In the aftermath of Cyclone Ofa the New Zealand and Niue governments decided to extend the Niue Concerted Action Plan (providing funding through March 1991) to June 1992. The two governments also committed themselves to reviewing priorities for future planning and expenditure.

New Zealand financial assistance remained critical. Funding levels in 1990–91 were around NZ\$10 million, of which 70 percent went for budgetary support (principally public service salaries). Pressures for greater efficiency and reductions in expenditure expressed during the New Zealand Labour party’s term of office continued following the election of a National party government in October. In Janu-

ary New Zealand's deputy prime minister and minister for external relations and trade, Don McKinnon, stopped briefly in Niue to advise the government to use aid revenues to develop the island's private sector.

In March it was announced that aid reductions for 1991-92 arising from New Zealand's own economic difficulties would necessitate the loss of up to 120 public service positions, about 20 percent of those employed. Cost-of-living adjustments sought by public servants were ruled out.

Hopes for at least a modest economic revival, centering on tourism, brightened in July when a private company, Niue Airlines, renewed air service to the island with a leased Boeing 737. Airport and runway lights, permitting night service, were commissioned in October.

Plans were also announced for construction of a new hotel and golf course, but despite government offers of tax concessions and work permits for key personnel, international investment was not forthcoming. Additional tourist accommodation is to be provided by Niuean residents, who have been encouraged to apply for licenses to host visitors in their homes. The state-owned Niue Hotel, badly damaged by Cyclone Ofa, was reopened at the end of May. Revenues generated by an expanded tourist industry would complement Niue's other major sources of finance, aid grants and remittances from Niueans resident in New Zealand.

The cabinet's decision to award the lease of the Niue Hotel to New Zealand interests provoked criticism from local business interests, while the costs

of reconstruction (NZ\$1.5 million, most of it from the New Zealand government) sparked a ministerial rebellion that threatened the political survival of Premier Sir Robert Rex.

In September, only five months after the assembly's reelection of Sir Robert following legislative elections, Finance Minister Sani Lakitani called for a change of leadership. A petition calling for the premier's resignation circulated among Niue's twenty legislators, and attracted eleven signatures, including that of another cabinet minister, Frank Lui. Sir Robert responded by inviting the two disaffected ministers (half the cabinet) to resign, and when they refused, their ministerial warrants were revoked.

A motion of no-confidence criticized unauthorized spending on the hotel, government support for a local canning company, and the failure of Niue's Development Finance Committee to produce audited accounts. When the vote was taken on 24 October, many of those who had signed the petition defected, and the government survived by a 15-5 margin. Opposition leader Young Vivian, who has not signed the petition, was brought into the cabinet as minister of finance and another member of the assembly, Fisa Pihigia, acquired the Works portfolio.

These events strengthened Young Vivian's position as heir-apparent, as there was sympathy for the view that the long-serving Rex should be permitted to complete his final term. Young Vivian's inclusion in the cabinet coincided with a revival of initiatives focusing on Niue's constitution, adopted in 1974. A Constitution Review Committee was established in October while

the government was under challenge. It is chaired by Robert Rex, Jr, and the six other members include the two latest cabinet appointees, as well as O'love Tauveve Jacobsen, the highest polling islandwide candidate in the April elections.

With the hotel reopened and air service restored, two of Niue's recent obsessions faded, at least for the moment. Population numbers have stabilized and have attracted less comment. Niue's vulnerability to cyclones was emphasized again in December, however, when another storm, Cyclone Sina, washed away two temporary roads (subsequently repaired) built following Ofa.

A more persistent problem, dependence on New Zealand's weakened economy, has intensified Niue's search for alternatives. Australian assistance (approximately NZ\$700,000) has been used for improvements to Niue's wharf access road, while small numbers of United Nations Development Program personnel are providing technical expertise in various fields. Young Vivian has identified both the Economic and Social Commission for Asia and the Pacific, and the World Bank, as potential donors.

Other initiatives focused on investment possibilities. An Australian company, Avian Mining, received permission to prospect for minerals in November. The government joined the Pacific Forum Line in September, purchasing several thousand dollars' worth of shares in a regional venture that does not presently visit Niue (served largely by Cook Islands shipping). A land titling program, intended to facilitate forestry development and

other ventures, was also begun, with New Zealand support. It commenced with Vaiea, Niue's most lightly populated village (around 14 people).

Other recent initiatives have a bearing on the Niue Concerted Action Plan's objective of maintaining "a living community in Niue." A French telecommunications project completed installation of a satellite dish and a facsimile service, and the French government is expected to assist with further upgrading of Niue's telephone system. Niuean's reliance on videos was reduced when a one-channel television service was introduced with assistance from Television New Zealand, which provided equipment, technical assistance, and programs and will be responsible for building transmission facilities.

The various matters noted in this review suggest some progress with respect to ongoing challenges. Following international trends efforts are being made to privatize various state-run activities, and alternative ways of strengthening the island's economic base are being explored. The new government, less a coalition of parties than a realignment of personalities within the Niue Assembly, brings additional contacts and experience while beginning Niue's transition to new leadership.

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TOKELAU

Recovery from February 1990's Cyclone Ofa was a major priority for policymakers during the year 1990-91. Government-sponsored programs