

**ECONOMIC LINKS
BETWEEN THE
PACIFIC AND
NEW ZEALAND
IN THE
TWENTIETH
CENTURY
GEOFF BERTRAM**





(10 16) Aotearoa/New Zealand became part of the Polynesian Pacific for the first time when it was settled by migrants from what are now the Cook Islands and French Polynesia in about AD 1250. The migrant settlers thereafter undertook local trade around the New Zealand archipelago in seagoing waka (canoes), but do not seem to have maintained longer-distance voyaging links with the rest of Polynesia.

The arrival of European ships in the South Pacific revived the movement of goods and people between New Zealand and the Islands. At the same time, it drew the island Pacific into the wider global trading system: first through whaling and sealing operations, then by a large fleet of (often locally owned) trading vessels. These initially operated alongside, but were later subordinated to, the large merchant houses that by the early twentieth century ran plantation agriculture, phosphate mining, and shipping services in the British, German, French and Japanese imperial spheres of influence in the Islands.¹ New Zealand, by then a large British settler colony on the edge of the region, was linked into those networks and for some decades aspired to build its own mini-empire by consolidating the smaller islands of the British Pacific sphere into an expanded colony ruled from Wellington. (The detailed story of New Zealand's political and imperial ambitions in the Pacific is told in Chapter 5.) The tide of expansion ran strongly from 1901, when Niue and the Cook Islands were annexed to the New Zealand nation, until 1926 when Tokelau came under New Zealand administration - just as events leading up to the Mau rebellion in Western Sāmoa highlighted New Zealand's inadequacies as a colonial power.

New Zealand had vigorously pursued its desire to annex Western Sāmoa after seizing control from

German forces in 1914, but was stalled at Versailles in 1919 (in common with Australian ambitions in New Guinea) by US opposition. Woodrow Wilson's newly established League of Nations placed all the former German territories in the Pacific under mandate, with the occupying Allied powers administering them but barred from annexing them.² Until Sāmoa became an independent state in 1962, New Zealand as the administering power had to submit annual reports on its stewardship: first to the League, and then to the United Nations. These reveal that the mandate territory paid its way in terms of covering the costs of administration, but never held much promise as a source of economic gain for New Zealand.

After the 1920s, imperial ambitions faded and the attention of New Zealand governments drifted away from the Island territories. These produced neither phosphates nor sugar - the two great regional commodities of the mid-twentieth century - and the geopolitical spotlight was shifting north, away from the old South Pacific arena of British-German-French rivalry and towards the Japanese sphere in the North Pacific. The administration of Island territories was left in the hands of a succession of New Zealand residents and administrators, memorably described by New Zealand historian Mary Boyd (in relation to Western Sāmoa) as '[a] long line of paternalistic but often misguided soldier-administrators with their underlying belief in the racial superiority of the Anglo-Saxons'.³ The islands over which political control was exercised proved to have little potential for profitable development, but did have a growing appetite for costly infrastructure and public services. Even keeping shipping links operating from the 1930s to the 1970s required New Zealand Government subsidies, equal in some cases to half the value of the goods carried. In due course, New Zealand pulled back from direct rule of its Pacific Island territories. Sāmoa was ushered to full independence; the Cook Islands and Niue were made



'self-governing in free association with New Zealand' from 1965 and 1974 respectively; and the Department of Island Territories was abolished in 1975. Thereafter, all New Zealand relationships with the Islands (including non-self-governing Tokelau) were handled by the Ministry of Foreign Affairs and Trade (MFAT).

New Zealand's formal colonial-rule venture in the Pacific thus lasted roughly a century, from the early ambitions of the 1870s and 1880s to the (only partially successful) attempt to cut direct political ties in the 1970s and 1980s. Histories of New Zealand in the Pacific that focus on the speeches, legislation, official reports and constitutional developments of the period are a poor guide to the economics, because the real economic action lay elsewhere.

The commanding heights of New Zealand's economic relationships with the Islands over the past century have been, in rough chronological order, sugar, phosphates, meat exports, migration and tourism. (10 03) The rise of these sectors was driven either by private merchant capitalism in the region (the first three, during the colonial era) or by Islands-based entrepreneurial talent capitalising on opportunities in the wider world economy (the last two, in the postcolonial period). In the course of a century of rhetorical commitment to economic development in the region, and endless policy initiatives to promote pet projects or sectors, New Zealand's politicians only twice played a key role in the growth of these five leading sectors. On one of those occasions the role was negative rather than positive: the Muldoon government's attack on migrant overstayers in 1975–79. The other, more positive, policy initiative was at Versailles in 1919. The man of the moment was farmer-turned-prime minister William Massey, capitalising on the country's loyal participation alongside Britain in the First World War. The event was the establishment of a League mandate over Nauru.

The phosphate rock island of Nauru was captured from Germany by Australian forces in 1914, just as New Zealand was seizing Western Sāmoa. At Versailles in 1919, the League of Nations placed Nauru under a British Empire mandate with Australia designated as the administering power, but the UK and New Zealand governments were given shares in the exploitation of the phosphate resource. Hard bargaining by Massey secured for New Zealand a permanent seat on the board of, and a 16 per cent stake in, the British Phosphate Commission (BPC), set up as a three-way partnership among the three governments to exploit the deposits for the benefit of agriculture in their countries.⁴ Massey's success paid a handsome economic dividend, securing for New Zealand's farmers a cheap and reliable supply of the superphosphate fertiliser that was crucial to the success of the pastoral export economy.

From the late nineteenth century on, the New Zealand and Australian economies were powerhouses of export-oriented pastoral agriculture, with downstream linkages into industrial dairy processing and meat freezing. These dynamic pastoral economies created strong upstream demand for a key input on which pastoral success rested: fertiliser. Phosphatic fertiliser had been an internationally traded commodity since the mid-nineteenth century, when Peruvian guano from a string of islands on the eastern fringe of the Pacific was a classic boom commodity, bringing wealth to the (mainly British) trading companies that controlled the mining and shipping of the product to European markets but misery to the indentured Chinese and kidnapped Pacific Islanders (including many from Tokelau, the northern Cook Islands and Niue) who were transported across the Pacific to dig the guano.⁵ From the late 1850s on, guano mining spread to the Line and Phoenix islands (in modern Kiribati) and around New Caledonia. New Zealand and Australian trade statistics in the 1880s

and 1890s recorded rising imports of guano from 'South Seas Islands', particularly from Surprise Island and Malden Island off New Caledonia. These deposits, however, were largely exhausted prior to the First World War, and could never have produced on a scale to match the rising demand for phosphatic fertiliser in New Zealand and Australia from 1900 on.

The future lay with guano's replacement, superphosphate, invented in the 1890s. Superphosphate is a high-grade fertiliser made by mixing sulphuric acid with calcium phosphate (phosphate rock). Discoveries of phosphate rock on Banaba (in modern Kiribati) and Nauru in 1900, Makatea (in the Tuamotu Archipelago, part of French Polynesia) in 1905–07, and Angaur (in modern Palau) in 1908 led to a mining boom which made the island Pacific into a world-class minerals exporter through much of the twentieth century.

Merchant capitalists, who had been trading guano from the Islands, were the initial phosphate entrepreneurs. The lead player in development of the industry was an Australian trading company, the Pacific Islands Company, which in 1900 gained an accidental head start when one of its Sydney staff, New Zealander Albert Ellis, stumbled upon the Banaba phosphate deposit.⁶ The company changed its name to the Pacific Phosphate Company, manoeuvred skilfully to secure concessions to the phosphates of German-controlled Nauru and French Polynesia,⁷ and by 1919 had established large-scale mining operations on Nauru, Banaba and (through a French subsidiary, Compagnie Française des Phosphates d'Océanie) Makatea.⁸ That year, it sold off its Nauru and Banaba operations, and its Makatea interests, to the BPC, which thereafter became the dominant player in New Zealand's Pacific Island trade until the 1970s, operating large industrial mining and port operations in the Islands and its own fleet of bulk carrier ships.⁹

By 1950, New Zealand was importing 500,000





tonnes of phosphate a year, all of it from the Islands, and aerial top-dressing was a major industry. (10 13) (10 19) run small (10 20) run small By 1965, phosphate imports had doubled to 1 million tonnes a year, virtually all from the Pacific. Thereafter, the boom faded for the BPC as Nauru gained independence in 1968 and the Banaba deposits were exhausted a decade later; by 1980, with annual phosphate imports still over 1 million tonnes, Pacific sources were supplying less than half this total and the BPC was being wound up. By 2000, the Pacific's share of phosphate supplies to New Zealand was down to 23 per cent, all from Nauru, which by then had ceased large-scale production. In the following year, the share fell to 5 per cent, and to zero two years later as Nauru's reserves ran out. New Zealand's phosphate imports are now sourced mainly from North Africa and the Middle East, with smaller quantities from Australian-controlled Christmas Island (in the Indian Ocean) and North America.

The rates of exploitation of the phosphate deposits of the Pacific Islands were dictated by the colonial powers, and were far in excess of an economic optimum from the standpoint of the Islanders.¹⁰ Angaur (under Japanese control until the 1940s) was exhausted by 1955, Makatea by 1966 and Banaba by 1979. Phosphate mined by the BPC was sold in Australia and New Zealand during the middle of the century at prices that were typically between one-half and one-third the open-market world price.¹¹ Later attempts by Islanders (and their governments after independence) to secure compensation for their low returns from the UK and Australia were either blocked by legal action or settled out of court by cash payments.¹²

(10 22) In addition to the devastated landscapes and derelict equipment left behind when mining ended, the phosphate era had two long-term impacts on the economic development of the Islands. First was the effect on the regional labour market of the





employment provided to Islanders who were recruited to work on the phosphate diggings as migrant workers, earning wages to send back as remittances to their homeland families and communities. Wages on the phosphate islands were at a level sufficient to attract the required labour force as temporary migrants, on contracts that were generally of one or two years' duration. In the early years, the preferred source of indentured labour was Asia: the French used Vietnamese labourers on Makatea, while Banaba and Nauru were mined by Chinese workers. Increasingly in the 1930s, and rapidly after the Second World War, the latter were replaced by Gilbert and Ellice Islanders, while the Makatea labour force became dominated by Cooks Islanders and French Polynesians.

(10 21) Employment on the phosphate diggings spread cash from miners' wage packets into villages across modern Kiribati, Tuvalu, Micronesia (from Angaur) and the Cook Islands. Thus phosphate played a central role in the emergence of the migration-remittance labour market, which became characteristic of the Pacific Islands by the late twentieth century, following a pattern earlier established by the Chinese migrant labourers on Nauru.

The Cook Islands case is of special interest here. With Angaur, Nauru and Banaba all in Japanese hands by 1941–42, Makatea was left as the sole wartime Pacific source of phosphate for the New Zealand economy, and the New Zealand administration in the Cook Islands helped organise the BPC's recruitment of migrants to work there. Between 1942 and 1955, a total of 2767 Cook Islands men worked on Makatea,¹³ at a time when the total population of the Cook Islands was about 15,000. Even allowing for double-counting of workers who spent more than one period as migrants, this was a large fraction – possibly a majority – of the economically active male population. This experience with wage labour and migration meant that Cook Islanders were well prepared for migration to wage

work in New Zealand, which took off in the mid-1950s as employment opportunities on Makatea disappeared.

The second lasting impact of phosphate mining in the Pacific was the disposition of rents. Apart from wages, the cost of phosphate at the point of shipment was made up of the cost of capital (all collected by the mining companies) and economic rents (pure profit) on the natural resource itself, which in theory should have accrued to the landowners. The key to landing phosphate cheaply into Australia and New Zealand was holding down royalty payments to Island landowners and communities, so that the gains from cheap labour and efficient capital equipment passed downstream to the buyers. The resulting implicit subsidies from phosphate island communities and landowners to New Zealand farmers were substantial. On all phosphate islands there were disputes between the indigenous landowners and the mining companies over three related issues: the amount of royalty payable for rock extracted; the honouring of pre-existing property rights of the indigenous landowners; and the question of whether ownership of the subsoil resources was vested in the Crown or the surface landowners. On all three issues the performance of the BPC echoed familiar themes from New Zealand's history of Māori land grievances and Australia's history of dealings with its Aboriginal population.

On Nauru, the BPC position was described in 1964 in such terms: '[T]he Nauruan people have no legal rights to royalties either as individuals or as a national group, that royalties are paid merely out of goodwill, and that they should be related principally not to costs and prices but to the Nauruans' needs.'¹⁴ Independence in 1968 suddenly brought all the profits from mining into the hands of the state-owned Nauru Phosphate Corporation, which was able to fund the nascent nation state for several decades during which Nauru seemed for a while destined to become the Pacific's financial powerhouse, before

financial mismanagement, bad luck, and exhaustion of the phosphate reserves turned it after 2000 into a candidate for the title 'failed state'.

On Banaba, the BPC funded the costs of British administration of the entire Gilbert and Ellice Islands colony for decades. This absorbed 30 per cent of the fob (freight on board) value of phosphate produced in the 1950s and 40 per cent in the 1960s, about ten times the amount paid to the Banaban landowners in royalties (though their property rights were at least acknowledged as valid, in contrast to the situation on Nauru).¹⁵ In that case, the UK government, as one of the three BPC partners, effectively paid itself a subsidy out of the company's earnings. From 1956, some of this revenue was set aside in a 'revenue equalisation reserve fund' to provide a fiscal cushion for the colony's administration, and in 1979 this fund, by then worth \$68 million, became the principal asset of the government of the newly independent state of Kiribati. The careful and successful management of the fund was central to achieving fiscal sustainability in Kiribati over the subsequent four decades.¹⁶

The New Zealand Government collected a share of BPC cash profits via dividends. All three governments that subscribed the initial capital to set up the BPC in 1919 were guaranteed full repayment (via a sinking fund) over fifty years, plus a 6 per cent return on their investment, representing a very good commercial return during a period that included the Great Depression and the Second World War. However, this financial return was never the central reason for New Zealand's participation in the company: the true payoff went to New Zealand farmers via the effect of the BPC in holding down their fertiliser costs for half a century.

This translated into a contradiction in New Zealand policy on decolonisation after the Second World War. Peter Fraser, as prime minister of New Zealand in the late 1940s, was ideologically predisposed



towards self-government and the trusteeship principles of the United Nations Charter, which explicitly contemplated the option of eventual independence for colonial and mandate territories. At that time, New Zealand opted to place both the Cook Islands and Niue, despite their legal status as integral parts of the New Zealand nation, on the United Nations list of 'non-self-governing territories', ostensibly as a gesture to postwar internationalism. US historian Terence Wesley-Smith, however, notes the contrast between New Zealand's willing offering-up of its valueless Island territories to UN scrutiny, while helping Australia maintain tight control over the highly valued Nauru mandate:

Australia and New Zealand were acutely aware of the potential threat that international supervision posed to their economic interests in phosphate-rich Nauru. They managed to negotiate a trusteeship agreement that allowed them to maintain those interests, at least in the short term.¹⁷

Not all was smooth sailing, however. The Nauruan chiefs lost no time in presenting a petition to the United Nations Trusteeship Council in 1947–48, which the Australian government stonewalled with tacit New Zealand support. While Western Sāmoa was allowed to drift steadily towards eventual independence, the strategic economic importance of access to cheap phosphate made Nauru's progress in that direction much more hotly contested, and the BPC hung on to the last against growing UN pressure, which finally secured Nauruan independence in 1968. The contrast between Sāmoan and Nauruan independence is easily explained in economic cost-benefit terms. In Western Sāmoa, as Boyd explains, New Zealand made 'a rapid transition from imperialism to trusteeship . . . facilitated by the rapid discovery that Western Sāmoa

was of little economic or strategic importance and that the administration of the mandate was a rather troublesome and thankless task'.¹⁸

The origins of the phosphate industry followed a pattern that was typical of early twentieth century merchant-capitalist enterprise in the Pacific. Trading houses sought to control a vertically integrated supply chain from the production of raw materials in the Islands to sale of the final product in metropolitan markets such as Australia and New Zealand. In the British Pacific, the centres of merchant capital were Melbourne, Sydney and Auckland. Major trading operations included Lever Brothers, Burns Philp and WR Carpenter (merged in 1956 with Morris Hedstrom). All three companies had headquarters or subsidiaries in Australia and New Zealand, and specialised in products made from copra (dried coconut), with copra plantations in the Islands, shipping operations, and (in Lever Brothers' case) factories producing soap and other copra derivatives; Lever's Sunlight soap was familiar in New Zealand laundries.¹⁹ More important for New Zealand-Pacific economic ties in the early twentieth century, however, was another merchant-capitalist venture, Chelsea Sugar.

A Sydney-based firm, the Colonial Sugar Refining Company (CSR, still in existence in 2011 as the owner of Chelsea Sugar) established sugar mills and plantations in Fiji and the Chelsea refinery in Auckland, with a shipping link between the two, in the 1880s.²⁰ (10 18) CSR thereafter was the dominant player in New Zealand trade with the Islands until the 1920s, and held a virtual monopoly of the New Zealand sugar market throughout the twentieth century. Over the three decades from 1895, raw sugar from Fiji made up 4 per cent of New Zealand's total imports, at a time when the entire Pacific Island market was absorbing only 1

per cent of New Zealand exports. After 1923, the supply link between the Fiji sugar mill and the Auckland refinery was broken by the system of Imperial Preference introduced by the British government. This kept prices high for sugar producers within the Empire, while the free-market price in the rest of the world fell. CSR thereafter sent its Fijian sugar to the Canadian market, while supplying its Chelsea refinery, and hence the New Zealand market, from cheaper suppliers of raw sugar – initially Cuba and Peru, later a range of producers such as Guyana and Trinidad in the Caribbean and Réunion in the Indian Ocean. Fijian sugar was diverted to the New Zealand refinery only at times when other supplies were blocked (for instance, the Second World War) or more expensive (the early 1950s and late 1970s).

The decline of its share of the New Zealand sugar trade did not cause the removal of Fiji as a trading partner; it reappeared in the trade statistics in the late twentieth century as a producer of cheap clothing and some other consumer goods, benefiting from preferential tariff arrangements. In the two years 2009–10, Fiji accounted for 56 per cent of New Zealand imports from the Islands and 23 per cent of New Zealand exports to the Islands. In the first decade of the twenty-first century, Papua New Guinea (PNG) emerged as New Zealand's other main Pacific Island trading partner, supplying around half of total imports from the Pacific (falling sharply to 20 per cent over 2009–10) while taking 14 per cent of New Zealand exports to the Pacific in 2009–10. PNG and Fiji together now account for over three-quarters or more of total New Zealand imports from the Pacific. (PNG supplies oil, coffee and tropical hardwood timber; Fiji supplies fruit and vegetables, a dwindling volume of clothing, and some timber – its sugar exports have virtually ended.)

The balance of trade in goods between New Zealand and the Pacific Islands underwent a fundamental shift, from deficit to surplus, over the course of the twentieth century. Up to the late 1920s, New Zealand ran a trade deficit with the Islands, equal to about 0.6 per cent of New Zealand GDP. This reflected a classic colonial economic set-up under which New Zealand imported raw materials (mainly sugar and phosphates, but also fruit from the Cook Islands, Sāmoa and Niue) from the Islands and exported consumer goods such as tinned meat, clothing, toiletries and other manufactured goods. (10 25) Because Pacific markets for New Zealand exports were limited by low consumer purchasing power and costly transport, the region's sales of raw material to New Zealand greatly exceeded its purchases from New Zealand.

From about 1930 to about 1970, New Zealand's trade with the Islands was approximately in balance, with sugar imports from Fiji reduced to minor importance and phosphates imported at low prices by the BPC, while rising incomes and growing government expenditures in the Islands resulted in an increased market for New Zealand goods, including meat products. (10 11) (10 01)

Hellaby's tinned corned beef, later joined by chilled or frozen lamb and mutton flaps and cheap cuts of beef, were all lower-grade by-products from the New Zealand meat industry's core export business of selling high-quality meat to Europe and North America. The Islands market was a useful way to dispose of these by-products at a profit, albeit – as Teresia Teaiwa explains further in Chapter 12 – at a cost to public health in the Islands as diabetes and obesity eventually became common.²¹ Finally, in the 1970s and 1980s, New Zealand's trade balance with the Islands moved into substantial surplus, where it has remained ever since. On the import side, sugar and phosphates are now sourced from outside the region, while on the export

side there has been sustained consumer demand in the Islands for goods such as meat, beer and appliances, funded from new sources of disposable income: tourism earnings, migrant remittances and aid flows. The bilateral trade surplus has fluctuated around 0.6 per cent of New Zealand GDP since 1980 – a complete reversal of the situation in 1895–1925 (see Figure 1).

Figure 1: New Zealand's Trade Balance with the Pacific Islands

Source: Author's calculations from New Zealand trade statistics.



In the past half-century, the main traffic between New Zealand and the Pacific Islands has not been in trade goods, but in people and money. Money – the aforementioned tourism earnings, migrant remittances and aid packages – has become the key source of funding for living standards in the postcolonial Pacific. This represents a major change in the nature of the Island economies over the half-century since the Second World War. Formerly, Island spending power was limited to export earnings from copra, phosphates, fruit, sugar and other primary commodities. Remittances from migrant workers in the phosphate mines redistributed some of the export incomes to other Islands, and some of the employment and spending provided by colonial administrations was funded from budgetary subventions, but basically the region's imports had to be paid for from its commodity exports.

Beginning in the 1950s, New Zealand began to import labour and provide a growing amount of financial aid, shifting the funding of imports away from primary commodity exports in Sāmoa, Tonga, the Cook Islands, Niue and Tokelau. The most important modern legacy of the colonial era is the structure of the regional labour market, which sets the terms on which access to employment in New Zealand is available to migrant workers from the Islands. Automatic entry status is given to New Zealand citizens and is a major economic asset for inhabitants of the actual or former territories of Tokelau, Niue and the Cook Islands. In the case of Sāmoa, New Zealand citizenship was denied by Wellington for two decades after independence until it was affirmed by the 1982 *Lesa* decision of the Privy Council (see Chapter 11). The New Zealand Parliament promptly overturned that decision by withholding citizenship from Sāmoans not yet in New Zealand, but was forced to concede legal status to Sāmoan migrants who had already entered the country.

By the time of the 2006 census, the population

of Pacific Islanders in New Zealand had risen to 266,000 – nearly 7 per cent of New Zealand's total population. Of these, 51 per cent (136,000) had been born in the Islands and 49 per cent were second- or third-generation Islanders born in New Zealand.²² The first large wave of migrants in the 1950s included both temporary labour gangs from Fiji and the Cook Islands and individuals from the New Zealand-linked territories finding employment in manufacturing. The footholds established by these trailblazing individuals enabled the rapid expansion of Islander labour in the 1960s in several key manufacturing sectors in New Zealand: pulp and paper in Tokoroa, car assembly in Porirua and general manufacturing in South Auckland. (10 15) By the 1970s, as the New Zealand economy slowed and unemployment rose, government measures to slow in-migration targeted the Pacific Island migrant communities, culminating in the deportation of 'overstayers' in 1976 (described in Chapter 11).²³ The pace of migration slowed again after the mid-1980s as jobs growth in the New Zealand economy slackened. In the period from 1976 to the 2006 census, the Pacific migrant communities have accounted for 23 per cent of New Zealand's overall population growth (204,636 of the increase of 898,564). At the margin of the national society, thus, Pacific Islanders have been more important than their total numbers might suggest. Pacific islanders today make a substantial productive contribution to the New Zealand economy.²⁴

An important feature of the migrant communities is the continual circulation of individuals between New Zealand and the Islands. The diasporas in New Zealand are not cut off from their roots; on the contrary, there is an organic unity between the communities in the home islands and those in New Zealand. Between 1982 and 2006, there were 1.17 million arrivals of Pacific Islanders into New Zealand and 1.07 million departures, compared with a total Polynesian population in the Islands of 740,000





in 2006.²⁵ This continual fluid movement of people maintains networks that are of great importance in the ongoing development of the Island economies. It provides a vital conduit for the delivery of remittance goods as gifts carried by visitors to relatives and friends in the Islands, while also maintaining an integrated regional labour market, with potential migrants in the Islands kept well informed about employment prospects and market conditions in New Zealand and Australia, and Islanders living in New Zealand equally well informed about emerging economic opportunities in the Islands.

Tourism has grown in parallel with migration. As Islanders have migrated to New Zealand to secure jobs, lifestyles, education and access to services, New Zealanders on holiday have been moving the other way to experience warmth, sunshine and island environments. Migration and tourism are now central to the economic relationship.

Tourism is not new in the Pacific Islands; there is a long history of European visitors drawn by exotic settings and peoples, and following the Second World War the combination of greater knowledge of the region and improved transport links had brought mass tourism to the north Pacific (Guam, Hawai'i and the Northern Mariana Islands) by the 1960s. In the South Pacific, much tourism is still in an earlier (pre-mass-market) stage of the industry life cycle, with relatively high participation of local small enterprises and local labour.²⁶ Fiji and French Polynesia (Tahiti) were the leading early tourism destinations (the Suva Tourist Board was established as early as 1923),²⁷ and Fiji is furthest advanced towards mass tourism dominated by trans-national enterprises.

Annual total visitor arrivals to South Pacific island destinations were 688,000 in 1990, 821,000

in 1995, 976,000 in 2000, and 1.3 million in 2005 (representing an average annual growth rate of 4.3 per cent), since when the regional total has remained stable but growth has continued in the Cook Islands, Sāmoa, Niue, and Vanuatu – countries whose tourism sectors are driven largely by Australian and New Zealand tourists.²⁸ In 1985, there were 50,000 short-term departures from New Zealand for the Pacific Islands. Of these 33,400 (67 per cent) were New Zealanders going on holiday, 8400 (17 per cent) were business trips, and 6000 (12 per cent) were visits to friends and/or relatives. By 2000, the total had grown to 118,000, of which 76,000 (64 per cent) were holiday trips, nearly 14,000 (12 per cent) were business trips, and 20,000 (17 per cent) were trips to visit friends and/or relatives. By 2010, there were 254,000 short-term departures to the Islands, of which 155,000 (61 per cent) were holiday trips, 20,000 (8 per cent) were for business, and 53,000 (21 per cent) were visits to friends and/or relatives.²⁹ The fastest-growing category of travel from New Zealand to the Pacific, thus, has been New Zealand residents (mainly Islander immigrants and their families) visiting friends and relatives in the Islands. In the cases of Tonga, Sāmoa and Tokelau that proportion is 40 per cent or more of short-term departures from New Zealand. For Niue it is about 30 per cent. In other Island destinations, more than three-quarters of visitors from New Zealand are tourists in the usual sense. Of people going to the Islands on holiday in 2010, roughly 40 per cent travelled to Fiji, 30 per cent to the Cook Islands, and 11 per cent to Sāmoa. The most dramatic change over the past three decades has been the rise of the Cook Islands from 15 per cent share of the Island holiday-travel market in 1980 to 31 per cent by 2010, at the expense of destinations such as New Caledonia, Norfolk Island and French Polynesia.

(10 23) The impact of tourism on the Island economies is large. The ratio of tourist spending to GDP is over 50 per cent in the Cook Islands, 20–25 per



cent in Vanuatu and Fiji, and 15–20 per cent in French Polynesia and Sāmoa.³⁰ Simon Milne of the New Zealand Tourism Research Institute estimated that in 2004, total tourist spending across the twelve members of the South Pacific Tourism Organisation was US\$1.5 million, of which two-thirds remained within the local economy for at least one round of derived expenditure: 25 per cent paid to local workers, 24 per cent to local suppliers of goods, and 18 per cent to other outlays including insurance, profits and tax.³¹ These estimates imply that the multiplier impact of tourism in the small Pacific Islands may actually have risen since the late 1980s (when Milne produced an earlier set of estimates, but for a smaller subset of islands).³² A recent analysis of tourism multipliers in four of the larger economies in the region (Fiji, Tonga, the Solomon Islands and Papua New Guinea) estimated that on average a 1 per cent increase in tourism exports increases GDP by 0.72 per cent in the long run.³³

Despite the aggregate effect on GDP, the impact of tourism on poverty and income inequality in the Pacific Islands is less clear.³⁴ Within booming tourist enclaves such as Rarotonga and Aitutaki in the Cook Islands, or Port Vila in Vanuatu, the effects seem generally positive. The worst excesses of mass tourism seen in the northern Pacific (dominant overseas ownership, large-scale enterprise, imported labour and materials) have not to date been evident in the South Pacific, though there are anecdotal accounts of pressure on customary land rights, inadequate protection of some environmental resources such as coral reefs, and capture of policymakers by wealthy developer interests. Outside the enclaves, direct tourism impacts remain limited, and indirect effects (via market linkages) are probably positive more than negative, but there is little systematic research available.

Migration plays a key role in regulating the living standards of the resident populations in the Islands. These rest on three pillars: traditional local subsistence production, imports of manufactured consumer goods (clothing, tinned meat, beer, machinery and so on), and services such as health and education provided by the government sector. (10 24) The first, subsistence production, is sustainable so long as population growth does not outrun available land and other natural resources. Here migration has played a key role, with many Island communities exporting their population growth via migration to the metropolitan economies of New Zealand, Australia, the United States and Canada. The numbers are often startling. The total number of Cook Islanders increased from 16,638 in 1951 to 92,981 in 2006, but the population of the Cook Islands rose only from 15,079 to 19,569 – of which over 5000 were tourist visitors, so that the resident population had not changed at all. Effectively all of the increase in the Cook Islander community thus ended up outside the home islands, mainly in New Zealand (where there were 58,000 Cook Islanders in 2006), while population pressure on land and other resources in the Islands was kept at much the same level as in past centuries (the pre-contact population of the Cook Islands was around 16,000,³⁵ though it fell to less than 9000 by 1916, largely as a result of disease, before rebounding).

Sāmoa and Tonga had similar, though less dramatic, experiences. The total number of Sāmoans rose from 68,913 in 1945 to 501,836 in 2006, while the population in Sāmoa itself rose from 68,197 to 180,741, so 74 per cent of the increase ended up in the diaspora – 131,000 in New Zealand and 190,000 elsewhere, mainly Australia and the United States. Over the quarter-century 1981–2006, the population resident in Sāmoa rose only from 156,349 to 180,741, an average of half a percent a year. The population resident in Tonga grew from 42,145 in 1945 to 98,000 by 1971, then stabilised, even though the total number of

Tongans continued to grow rapidly. By 2006, there were 221,622 Tongans, but the population of the Islands was still only 102,448; over half of the community was living abroad (51,000 of them in New Zealand), while population on the Islands was stable.

These examples reflect a centuries-old tradition in the Pacific where population is kept in line with the carrying capacity of local resources by various practices including migration. The balance has not always been maintained, of course. In Niue, the island population fell from 4253 in 1945 to 1625 in 2006, while the total community of Niueans rose from 4478 to 27,380, of whom 22,473 lived in New Zealand, leaving the island's subsistence resources under-utilised. In Kiribati, where out-migration has been tightly restricted by lack of access to outside labour markets, population rose from 40,700 in 1960 to 96,558 in 2008 with virtually no out-migration, resulting in severe pressure on land resources for subsistence production. In both cases, the nature of historic links with New Zealand was material. Niueans are New Zealand citizens with automatic entry, while Kiribati has no such political basis for migration.

The second and third pillars of living standards – imports and government services – are where money flows come in. Since the 1950s, imports of goods from New Zealand to the Islands have risen steadily while commodity export earnings have stagnated or fallen, leaving a funding gap that has been filled by other sources of hard currency. Initially, the key flows were remittances sent back by migrants, and aid from rich countries to support the budgets of Island governments, leading to the emergence of so-called MIRAB (MIgration-Remittance, Aid-Bureaucracy) economies.³⁶ While both aid and remittances remain important sources of import funding, they have been overtaken in recent decades by the rise of tourism to the Islands from New Zealand, Australia, North America and Europe.





The funding balance between New Zealand and the Islands was roughly as follows in 2008, before the global financial crisis struck. New Zealand imported \$200 million worth of goods from the Pacific, exported roughly \$1 billion worth to the region, and provided official aid of around \$200 million. Meanwhile, Pacific Islanders in New Zealand sent home private remittances of more than \$200 million per year. Remittances, trade and aid thus funded two-thirds of New Zealand's exports to the region. Tourist spending in the Islands by visiting New Zealand residents (tourists plus business travellers and visiting migrants) can be roughly estimated as \$300 million annually³⁷. The global financial crisis roughly halved New Zealand's imports from the Islands by 2010, while leaving exports almost unchanged, raising the profile of aid, remittances and tourism even further as key sources of funding to sustain living standards. (10 10)

In conclusion, while trade with the Pacific Islands was important for the firms engaged in it, except for sugar (until the 1920s) and phosphate it was always marginal to the New Zealand economy as a whole. For all the grandiose ambitions of Vogel, Grey, Seddon and other advocates of a New Zealand mini-empire, exports to the Pacific Island region remained a mere 1 per cent of total exports, accounting for between 0.2 and 0.4 per cent of New Zealand's GDP, from the 1890s until the end of the 1960s. Meanwhile, imports from the region started at around 4 per cent of total imports (1 per cent of New Zealand's GDP) before the First World War, but fell sharply in the 1920s to match the Pacific share of exports. Only in the 1970s did the Pacific Island market gain new significance during the rapid diversification of New Zealand's exports following the wool slump of 1967–68 and Britain's entry to the European Economic Community in 1973. Even in the recent era of export

surpluses, New Zealand's trade surplus with the Islands has been of the order of only half a per cent of New Zealand GDP.

While New Zealand benefited economically from the ability to secure cheap supplies of certain basic commodities, the Island territories that New Zealand actually took over politically early in the twentieth century proved expensive to run and mostly lacked major natural resources or industrial potential. In the case of the highly-profitable phosphate islands, New Zealand's role was as a junior partner to Australia and the UK in the BPC. Because New Zealand's own territories never lived up to the economic dreams of the country's early imperialists, the retreat from those territories paid dividends more to New Zealand than to the inhabitants of the islands. By the early 1960s, with imports from Niue, the Cook Islands and Sāmoa totalling about \$1 million, the cost of shipping subsidies funded by New Zealand was running at roughly one-third of that figure, which means that far from profiting from these territories, New Zealand was carrying considerable costs for the benefit of producers of copra, fruit and handicrafts for export from the Islands. While possibly justified in the name of maintaining prosperity and social stability in the Islands, the need for these subsidies gave early warning of the unsustainability of export-led growth as a development strategy in the smallest and most isolated island groups. Successive New Zealand governments have persisted in the hope that such a strategy might succeed, but the Islander populations themselves have been hard-headed in opting for the alternative of migration and joining the labour forces of the large economies around the Pacific Rim. Migration and the remittances sent home by migrants have been of much greater significance for sustaining living standards and economic development in the Islands than the trade and investment links that tend to dominate New Zealand policymakers' agendas. Added to the



gains from Islanders' movement to New Zealand have been the benefits flowing from New Zealand tourism spending in the Islands, which has grown steadily in the past half-century.

Overall, from an Islander perspective their historical relationships with New Zealand have been economically beneficial though marred by occasional tensions over palagi conceptions of political and economic development. Infrastructure and services were developed to a reasonably good standard under New Zealand rule and have been sustained since by ongoing aid commitments. By opening its doors to migrants from its Pacific Island territories in the 1950s and 1960s, New Zealand gained a source of cheap labour while giving Islanders access to cash incomes at levels that could not have been secured at home: a genuine win-win outcome. By extending migration access over subsequent decades to a widening range of Pacific Islanders - Tongans, Tuvaluans and, most recently, Melanesians - New Zealand has cemented its role as a development hub for the peoples of the region.

The interpenetration of small-island economies with metropolitan national economies such as New Zealand's means that conventional national-accounts statistics conceal rather than reveal the true developmental performance of the Islander communities, dispersed as they are across several different national economies. Pacific Islanders resident in New Zealand produce output which is simultaneously both part of New Zealand's GDP and a key component of the collective income of their transnational ethnic groups. Migrants pay income taxes and GST in New Zealand, and probably comprise 3-5 per cent of the New Zealand tax base, an amount well in excess of the total value of aid and other grants from New Zealand to the Islands.

The modern economic sector of any Pacific Island people with migration outlets lies offshore

in the diaspora of entrepreneurs and wage-workers, which controls a large share of the financial and human capital of each Island community. Remittances form a direct cash-flow link between the diaspora and the home population, but other links are equally important for long-run growth - especially patterns of return migration, visiting, communication via media channels, and accumulation of financial assets in metropolitan banks and share registers. National-accounts aggregates prepared for the home population in isolation not only ignore much of the actual (but offshore) modern sector; they also miss the degree of success in preserving non-material wealth (in the form of culture and human capital) while raising material welfare.

Thus 'sustainable development' need not mean either strong trading performance or large-scale industrial development in the Islands, but can be secured by other forms of economic activity, many of which point towards an informal process of regional economic and social integration that transcends the narrow categories of national sovereignty and domestic product.



DANCE OF THE EXILES

Banabans think of blood and land as one and the same . . . in losing their land, they lost their blood. In losing their phosphate to agriculture, they have spilled their blood in different lands. Their essential roots on Ocean Island [Banaba] are now essentially routes to other places . . . like New Zealand, Australia, and Fiji. Teresia Teaiwa¹

These costumes are worn during an annual dance-drama that retells the history of Banaba Island (also called Ocean Island), part of Kiribati, and its people. A key part of the dance depicts New Zealander Albert Ellis discovering phosphate on Banaba in 1900 – and buying mining rights to it for a mere 24 pence. Ellis's discovery led to a combined New Zealand, Australian and British operation that stripped Banaba of its phosphate to make fertiliser for farms. And while those countries prospered, Banaba was left barely habitable. In the 1960s, Banaba and nearby Nauru exported 1.8 million tonnes and 450,000 tonnes of phosphate a year respectively. The twentieth-century history of these island groups is closely intertwined with the economic development and a rise in living standards in New Zealand. Another part of the dance depicts the Japanese occupation of Banaba in the Second World War, during which many inhabitants were executed. It also tells how, after the war, the British relocated the islanders to Rabi Island in Fiji. The drama ends with a celebration of the Banabans' enduring faith in their survival in a new land. In New Zealand, there are growing Banaban communities, particularly in Auckland and Wellington.

10 08

10 26

NEW ZEALAND - BEEFING UP THE PACIFIC

When Samoans were first introduced to the wonder of tinned food, this was in the form of pea soup. As no Samoan word can end in a consonant, they tacked an 'o' on the end and made . . . pisupo, pronounced 'pea-soup-o'. As time wore on and other edible matter arrived in tins, the generic term pisupo was used for all of it. Now it is more or less confined to tinned meat. CC Marsack, former Chief Justice of Samoa¹

With this powerful work, Pisupo Lua Afe (Corned beef 2000), made in 1994, artist Michel Tuffery takes a hard look at New Zealand's history of trade practices in the Pacific. For Tuffery, tinned corned beef stands for one of the ways that Western colonialism has affected Pacific people.

Imported corned beef, known as pisupo, has replaced local foods and become a staple in the Pacific diet. It is even served at important cultural events, such as weddings and funerals. The consumption of imported foods such as pisupo has resulted in a decline in fishing, cultivation and other subsistence activities in the Pacific Islands. Through the work, Tuffery asks the question: Does foreign intervention encourage cultural and economic independence – or dependence?

New Zealand company R & W Hellaby Ltd began exporting tinned corned beef into the Pacific in the 1880s and soon became a household name. The first brand they developed specifically for the Pacific was Crown. Today, tinned corned beef, especially the Pacific brand, remains popular with Pacific communities in New Zealand. The cans used in Pisupo Lua Afe are from a brand of corned beef distributed in Fiji.

10 01

10 06

Austral Islanders with boxes of corned beef at Rimatara, about 1931.

Photograph by John Macmillan Brown, reproduced courtesy of Macmillan Brown Library, University of Canterbury.

NEW ZEALAND'S TWENTIETH-CENTURY ECONOMIC TIES WITH THE PACIFIC ISLANDS

Banabans think of blood and land as one and the same ... in losing their land, they lost their blood. In losing their phosphate to agriculture, they have spilled their blood in different lands. Their essential roots on Ocean Island [Banaba] are now essentially routes to other places ... like New Zealand, Australia, and Fiji. Teresia Teaiwa¹

These costumes are worn during an annual dance-drama that retells the history of Banaba Island (also called Ocean Island), part of Kiribati, and its people. A key part of the dance depicts New Zealander Albert Ellis discovering phosphate on Banaba in 1900 - and buying mining rights to it for a mere 24 pence. Ellis's discovery led to a combined New Zealand, Australian and British operation that stripped Banaba of its phosphate to make fertiliser for farms. And while those countries prospered, Banaba was left barely habitable. In the 1960s, Banaba and nearby Nauru exported 1.8 million tonnes and 450,000 tonnes of phosphate a year respectively. The twentieth-century history of these island groups is closely intertwined with the economic development and a rise in living standards in New Zealand. Another part of the dance depicts the Japanese occupation of Banaba in the Second World War, during which many inhabitants were executed. It also tells how, after the war, the British relocated the islanders to Rabi Island in Fiji. The drama ends with a celebration of the Banabans' enduring faith in their survival in a new land. In New Zealand, there are growing Banaban communities, particularly in Auckland and Wellington.

10 08

10 26

ECONOMIC LINKS BETWEEN THE PACIFIC AND NEW ZEALAND IN THE TWENTIETH CENTURY

1. Brij V Lal and Kate Fortune (eds), *The Pacific Islands: An encyclopedia*, University of Hawai'i Press, Honolulu, 2000, pp. 202-20. By the beginning of the twentieth century the North Pacific was under the sway of the US (in Hawai'i) and Japan (in Micronesia), while the South Pacific was partitioned among Britain, France, Germany, New Zealand and, in the far west, The Netherlands.
2. Mary Boyd, 'The Record in Western Samoa to 1945', in Angus Ross (ed.), *New Zealand's Record in the Pacific Islands in the Twentieth Century*, Longman Paul for the New Zealand Institute of International Affairs, London (Auckland), 1969, p. 123; John Alvin Decker, *Labor Problems in the Pacific Mandates*, facsimile edition, AMS Press, New York, n.d., Chapter 1. Boyd, in Ross, pp.115-88, 200.
3. Barrie Macdonald, *Massey's Imperialism and the Politics of Phosphate*, Massey Memorial Lecture, Massey University Occasional Publication No. 7, Massey University, Palmerston North, 1982, pp. 22.
4. Jonathan Levin, *The Export Economies: Their pattern of development in historical perspective*, Harvard University Press, Cambridge, 1960; HE Maude, *Of Islands and Men: Studies in Pacific history*, Oxford University Press, Melbourne, 1968. For the history of the Peruvian guano trade, see Part 1 of Levin.
5. Pearl Binder, *Treasure Islands: The trials of the Banabans*, Blond and Briggs, London, 1977; Maslyn Williams and Barrie Macdonald, *The Phosphateers: A history of the British Phosphate Commissioners and the Christmas Island Phosphate Commission*, Melbourne University Press, Melbourne, 1985; Colin Newbury, 'The Makatea Phosphate Concession', in RG Ward (ed.), *Man in the Pacific Islands: Essays on geographic change in the Pacific Islands*, Clarendon Press, Oxford, 1972.
6. The Nauru phosphates were controlled by a German firm, Jaluit Gesellschaft, until their 1905 acquisition by the Pacific Phosphate Company.
7. 'The Rise and Fall of Makatea', in Hilary Rogers, Jean-Bernard Carillet and Tony Wheeler, *Tahiti @ French Polynesia: Your ticket to paradise*, Lonely Planet, London, 2003, p. 217; Newbury, p. 169.
8. For a history of the BPC see Williams and McDonald.

10. A recent detailed analysis of Nauruan extraction rates suggests that Nauru's phosphates were worked out at roughly double the optimal rate; see J Cox and J Kennedy, 'How Much More Rent Could Have Been Extracted from Nauru's Phosphate Deposits?', paper presented at MODSIM 2005 International Congress on Modelling and Simulation, Modelling and Simulation Society of Australia and New Zealand, December 2005, http://www.mssanz.org.au/modsim05/papers/cox_j.pdf, accessed 3 May 2011.
11. See Helen Hughes, 'The Political Economy of Nauru', *The Economic Record*, vol. 40, issue 92 (December 1964): p. 521, on the basis of comparisons of phosphate prices in Nauru, French Polynesia and the United States 1947–63.
12. For the case of the Banabans, which was thrown out by the British High Court in 1976 on the grounds that the Crown could not be sued: see Binder. Nauru's case before the International Court of Justice was settled by an out-of-court payment of AU\$107 million (to be staged over twenty years) by the Australian government in 1993. See Philip Shenon, 'Australia–Republic of Nauru: Settlement of the case in the International Court of Justice concerning certain phosphate lands in Nauru', *International Legal Materials*, vol. 32, no. 6 (November 1993): pp. 1471–9.
13. Department of Island Territories, *Cook Islands: Annual Report for the Year Ended 31 March 1949*, AJHR 1949 A-3 pp. 9–10; *Cook Islands: Annual Report for the Year Ended 31 March 1956*, AJHR 1956 A-3 p. 38.
14. Hughes, p. 523. The BPC argument was that the German administration in the nineteenth century had eliminated native property rights, and the Australian takeover of the island had transferred all ownership rights to one of the BPC partner governments.
15. *Ibid.*, p. 525.
16. Kiichi Tokuoka, 'The Revenue Equalization Reserve Fund: Recent developments and outlook', in Yougesh Khatri, Kiichi Tokuoka and Chad Steinberg, *Kiribati: Selected Issues and Statistical Appendix*, International Monetary Fund, 16 April 2009, p. 4, Table I.1, <http://www.imf.org/external/pubs/ft/scr/2009/cr09196.pdf>, accessed 3 May 2011. The RERF was worth more than \$630 million in 2000 and more than \$560 million in 2008.
17. Terence Wesley-Smith, 'Australia and New Zealand', in KR Howe, Robert C Kiste and Brij V Lal (eds), *Tides of History: The Pacific Islands in the twentieth century*, Allen and Unwin, Sydney, 1994, pp. 196–7.
18. Boyd, in Ross, p. 125.
19. 'Lever Brothers, Balmain', in Joan Lawrence and Catherine Warne, *A Pictorial History of Balmain to Glebe*, Kingsclear Books, Crown's Nest, NSW, 1995, pp. 56–9.
20. *The Chelsea Project: New Zealand Sugar Centenary 1984*, Auckland City Art Gallery Toi o Tamaki, Auckland, 1984; Bruce Knapman, *Fiji's Economic History 1874–1939: Studies of capitalist development*, Pacific Research Monograph 15, Australian National University, Canberra, 1987; Michael Moynagh, *Brown or White? A history of the Fiji sugar industry, 1873–1973*, Pacific Research Monograph 5, Australian National University, Canberra, 1981.
21. For a detailed account of New Zealand's trade in mutton flaps to the Pacific Islands see Frederick Errington and Deborah Gewertz, 'Pacific Island Gastrologies: Following the flaps', *Journal of the Royal Anthropological Institute*, vol. 14 (2008): pp. 590–608. They cite, for instance, that in 2002, Tonga imported around 3000 tonnes of mutton flaps, and that in 2005, 17,300 tonnes of mutton flaps were exported from New Zealand and Australia to Papua New Guinea.
22. For discussion of the demographics of the Islander migrant community see Paul Callister and Robert Didham, 'Some Emerging Demographic and Socio-economic Features of the Pacific Population in New Zealand', report for the Pasifika Project, Institute of Policy Studies, Victoria University of Wellington, 2007, <http://ips.ac.nz/events/completed-activities/Pasifika%20project/Callister%20Didham%20demography.pdf>, accessed 3 May 2011.
23. Joris de Bres, Rob Campbell and Peter Harris, 'Migrant Labour in the Pacific', research paper, Council of Organisations for Relief Services Overseas (CORSO), Wellington, 1974; Joris de Bres, and Rob Campbell, *Worth their weight in gold*, Auckland Resource Centre for World Development, Auckland, 1975; Joris de Bres and Rob Campbell, *The Overstayers: Illegal migration from the Pacific to New Zealand*, Auckland Resource Centre for World Development, Auckland, 1976; KD Gibson, 'Political Economy and International Labour Migration: The case of Polynesians in New Zealand', *New Zealand Geographer*, vol. 39, issue 1, (1983): pp. 29–42.
24. Jean-Pierre de Raad and Mark Walton, 'Pacific People in the New Zealand Economy: Understanding linkages and trends', draft paper, New Zealand Institute of Economic Research (NZIER), 2007, <http://ips.ac.nz/events/completed-activities/Pasifika%20project/NZIER.pdf>, accessed 3 May 2011.
25. Richard Bedford, 'Pasifika Mobility: Pathways, Circuits and Challenges in the 21st Century', report for the Pasifika Project, Institute of Policy Studies, Victoria University of Wellington, 2007, p. 51, <http://ips.ac.nz/events/completed-activities/Pasifika%20project/Pasifika%20project.html>, accessed 3 May 2011.
26. For a summary and review of the tourism life-cycle model see António Almeida and Antónia Correia, 'Tourism Development in Madeira: An analysis based on the life-cycle approach', *Tourism Economics*, vol. 16, no. 2 (June 2010): pp. 428–9.
27. David Harrison, 'Tourism in Pacific Islands', *Journal of Pacific Studies*, vol. 26, no. 1 (2004): p. 5.
28. Calculated from UN World Tourism Organisation (UNWTO) database, <http://data.un.org/DocumentData.aspx?id=250>, accessed 2 May 2011.
29. In the breakdowns cited here, the remainder percentages are made up of 'convention/conference', 'education', 'unspecified' and 'other'. Calculated from Statistics New Zealand Infoshare Table ITMo36AA at <http://www.stats.govt.nz/infoshare>, accessed 2 May 2011.
30. Tourism expenditure from UNWTO database, <http://data.un.org/DocumentData.aspx?q=tourism&id=250>, accessed 2 May 2011; GDP from <http://unstats.un.org/unsd/snaama/dnllist.asp>, accessed 10 May 2011.
31. The remaining 33 per cent of the spending leaked out to imports and offshore payments in the first round. Simon Milne, *The Economic Impact of Tourism in SPTO Member Countries*, report for South Pacific Tourism Organisation, August 2005, pp.18–19, http://www.south-pacific.travel/spto/export/sites/spto/tourism_resources/market_research/facts_figures/summaries/2005_ec_impact_of_tourism.pdf, accessed 1 May 2011.
32. Simon Milne, 'Tourism and Development in South Pacific Microstates', *Annals of Tourism Research*, vol. 19, issue 2 (1992): pp. 191–212.
33. Paresch Kumar Narayan, Seema Narayan, Arti Prasad and Biman Chand Prasad, 'Tourism and Economic Growth: A panel data analysis for Pacific Island countries', *Tourism Economics*, vol. 16, no. 1 (March 2010): p. 181. The long-run multipliers varied very greatly by country, from 0.92 per cent in Papua New Guinea down to 0.55 per cent in the Solomon Islands.
34. Joseph M Cheer, 'Kicking Goals or Offside: Is tourism development in the Pacific helping progress towards the MDGs?', *Pacific Economic Bulletin*, vol. 25, no. 1 (2010): pp. 151–61.
35. Frederick J Moss, 'The Cook Islands', *New Zealand Official Yearbook 1895*, Government Printer, Wellington, p. 462.
36. G Bertram and RF Watters, 'The MIRAB Economy in South Pacific Microstates', *Pacific Viewpoint*, vol. 26, no. 2 (September 1985): pp. 497–519; G Bertram and RF Watters, 'The MIRAB Process: Earlier Analyses in Context', *Pacific Viewpoint*, vol. 27, no. 1 (May 1986): pp. 47–59; Geoffrey Bertram, 'The MIRAB Model Twelve Years On', *The Contemporary Pacific*, vol. 11, no. 1 (Spring 1998): pp. 105–38.
37. Author's estimate, assuming that New Zealand travellers to each Island destination spent the same amount per capita as all tourists, and using the per capita spending estimates from the World Tourism data at <http://data.un.org/Explorer.aspx?id=19>, accessed 3 May 2011.
- ALL POWER TO THE PEOPLE. OVERSTAYERS, DAWN RAIDS AND THE POLYNESIAN PANTHERS**
1. 'Dawn Raids Start Again for Illegal Tongan Immigrants', *Auckland Star*, 19 February 1976, pp. 1, 32.
2. The Polynesian Panthers, in Stephen I Levine (ed.), *New Zealand Politics: A reader*, Cheshire, Melbourne, 1975, p. 226.
3. Patrick Ongley, 'Immigration, Employment and Ethnic Relations', in Paul Spoonley, Cluny McPherson and David Pearson (eds), *Nga Patai: Racism and ethnic relations in Aotearoa/New Zealand*, Dunmore Press, Palmerston North, 1996, p. 33.
4. See Sharon Liava'a, 'Dawn Raids: When Pacific Islanders were forced to "go home"', Masters thesis, University of Auckland, 1998, p. 4.
5. James Mitchell, 'Immigration and National Identity in 1970s New Zealand', Doctoral thesis, University of Otago, 2003, p. 22.
6. Mitchell, p. 24.
7. Liava'a, p. 5.
8. See Andrew Trlin, 'New Zealand's Admission of Asians and Pacific Islanders', in JT Fawcett and BV Carino (eds), *Pacific Bridges: The new immigration from Asia and the Pacific Islands*, New York Centre for Migration Studies, Staten Island, 1987, pp. 203–4; RD Bedford, 'The Polynesian Connection: Migration and social change in New Zealand and the South Pacific', in RD Bedford (ed.), *Essays on Urbanisation in South East Asia and the Pacific*, Department of Geography at the University of Canterbury, Christchurch, 1984, pp. 118–24.
9. Mitchell, p. 41.
10. See David Lange interview in Melani Anae, Lautofa Iuli and Leilani Burgoyne (eds), *The Polynesian Panthers: The crucible years 1971–1974*, Reed Books, Auckland, 2006, pp. 78–81.
11. Anae, Iuli and Burgoyne, pp. 101–2.
12. *Ibid.*, p. 113.
13. *Ibid.*, p. 61.
14. Dr Huey P Newton Foundation, 'Rise of the Black Panther Party', <http://www.blackpanther.org/legacytwo.htm>, accessed 19 April 2011; see also Colette Gaiter, 'Visualising a Revolution: Emory Douglas and the Black Panther Newspaper', in *Voice: AIGA Journal of Design*, 8 June 2005, <http://www.aiga.org/content.cfm/visualizing-a-revolution-emory-douglas-and-the-black-panther-new>, accessed 20 April 2011.
15. Graham Reid, 'Polynesia's radical spirit', *New Zealand Herald*, 23 June 2001, <http://www.nzherald.co.nz/nz/news/article.cfm?id=1&objectid=196354>, accessed 19 April 2011.
16. Anae, Iuli and Burgoyne, p. 97.
17. Reid.
18. Here, 'people' refers specifically to Samoans, Tongans, Cook Islanders, Niueans, and Tokelauans, who made up the majority of Pacific Island peoples in New Zealand during the 1970s.
19. The Panther Platform was to lobby for better education and housing resources for the people, help people understand the importance of Polynesian cultures, and expose all forms of racism.
20. Lange wrote the booklet, and an introductory page was contributed by Wayne Toleafoa. For details on the legal aid booklet, see Anae, Iuli and Burgoyne 2006, pp. 128–36.
21. Liava'a, p. 22.
22. Joris de Bres, interviewed on *Dawn Raids*, TVNZ, Isola Productions, directed by Damon Fepule'a I, produced by Rachel Jean, 2005.
23. Joris de Bres, Rob Campbell and Peter Harris, 'Migrant Labour in the Pacific', research paper, Council of Organisations for Relief Services Overseas (CORSO), Wellington, 1974, part 3, p. 3, cited in Liava'a, p. 23.
24. *Ibid.*
25. *Zealandia*, 31 March 1974, in Joris de Bres papers, University of Auckland Special Collections, MSS & Archives A-193, Box 1, Folder 5.
26. *Ibid.*
27. Ngā Tamatoa (The Warriors) was a Māori activist group that operated from the early 1970s until 1979. It fought for Māori rights, land and culture, and confronted injustices perpetrated by the New Zealand government, particularly violations of the Treaty of Waitangi; see also Liava'a, p. 10.
28. Joris de Bres and Rob Campbell, *The Overstayers: Illegal migration from the Pacific to New Zealand*, Auckland Resource Centre for World Development, Auckland, 1976, p. 26.
29. *Ibid.*, pp. 26–7.
30. *Ibid.*, p. 27.
31. Iain Macdonald, 'Ponsonby Lost is Paradise Lost for Tongan Workers', *New Zealand Herald*, 18 May 1974, quoted in Liava'a, p. 23.
32. Tamara Ross, 'New Zealand's "overstaying islander": A construct of the ideology of "race" and immigration', Masters thesis, Victoria University of Wellington, 1994, p. 62.
33. David Williams, secretary of CARE, quoted in de Bres and Campbell, p. 22.
34. New Zealand National Party Manifesto, 1975, p. 1, quoted in Mitchell, p. 217.
35. *Hansard*, vol. 391, 1974, p. 1842, quoted in Mitchell, p. 111.
36. Case file A359, Race Relations Office, cited in Prue Toft, 'Overstayers: A case of exaggeration', in Paul Spoonley and Walter Hirsh (eds), *Between the Lines: Racism and the New Zealand media*, Heinemann Reed, Auckland, 1990, p. 112–13.
37. Joris de Bres, *New Zealand Monthly Review*, May 1976, quoted in Spoonley and Hirsh, p. 113.
38. Ross, p. 79, quoted in Liava'a p. 15.
39. 'Shame for all NZers, Says Civil Liberties', *Evening Post*, 23 October 1976, p. 1.
40. Ross, p. 105; Liava'a, p. 40.
41. The Cossack election advertising, referred to in *Dawn Raids*, 2005, by Paul Spoonley, was commissioned by the Colenso agency from US cartoon studio Hanna-Barbera.
42. 'Like It or Not, It's an Issue for Us All', *Auckland Star*, 20 January 1976, p. 2, quoted in Liava'a, p. 16.
43. 'Controlled Immigration: A Wise Policy', *Southland Times*, 25 July 1975, quoted in Liava'a, p. 12.
44. 'Immigration policies', *Nelson Evening Mail*, 25 July 1975, quoted in Liava'a, p. 13.
45. 'Action on immigration', *The Press*, 30 January 1975, quoted in Liava'a, p. 13.
46. *Ibid.*, p. 16.
47. Joshua Liava'a, quoted in Liava'a, p. 31.
48. Liava'a, pp. 32–3.
49. 'Minutes of Meeting with Officers re: Arrest of Immigrant Overstayers', Auckland Central Police Station, 22 October 1976, quoted in Mitchell, p. 252.
50. See Mitchell, p. 254, who states that during the weekend, 'Auckland police stopped and demanded the passports of 856 mostly Polynesian people'.
51. Joris de Bres, interviewed on *Dawn Raids*. Note that where de Bres refers to 'ministers', Mitchell, p. 237, quotes the *Auckland Star*, 22 October 1976, which ascribes the following comment to police chief Berriman: 'Anyone who speaks in a non-Kiwi accent or looks as though he was not born in this country should carry a passport.'
52. Liava'a, pp. 54–5.
53. 'Muldoon Slams Critics of Police', *Sunday News*, 24 October 1976, p. 9, quoted in Mitchell, p. 256.
54. Pat Booth, interviewed on *Dawn Raids*.
55. 'Deputation for Samoan Refused Chance to Talk', *Evening Post*, 25 March 1976, p. 1. The *Evening Post* archive, consisting of seventy-two items from 12 January to 27 October 1976 on relevant topics leading up to the dawn raids of October 1976, was made available to the author by kind permission of the Te Papa Research Division; see also notes 56–8.
56. 'Islanders Unhappy about Stand Taken by Minister of Immigration', *Evening Post*, 12 April 1976, p. 12.
57. 'Pacific Island Leaders Are Unhappy about New Zealand Attitudes', *Evening Post*, 30 June 1976, p. 11.
58. 'Deportation Plan Called "Racist"', *Evening Post*, 5 July 1976, p. 22.
59. Tigilau Ness in Anae, Iuli and Burgoyne, p. 67.
60. Will 'Ilohahia, interviewed on *Dawn Raids*.
61. Liava'a, pp. 44–70.
62. Ongley, pp. 21–2.
63. 'NZ rulers' imperialist aims towards South Pacific countries', Joris de Bres Papers, MSS Archives A-193 Folder 1. Box 1. Special Collections, University of Auckland Library, University of Auckland, Auckland.
64. Mitchell, p. 269.
65. *Ibid.*, p. 268.
66. Anae, Iuli and Burgoyne, p. 99.