

New Zealand in the Pacific

Politics and Spheres of Influence

The islands of the Pacific Ocean fall into three ethnographic regions: Polynesia, Micronesia and Melanesia (map 1). Particular relationships with metropolitan countries, flowing from with the nineteenth- and twentieth-century geographic pattern of imperial expansion into the region by European powers and Japan, have driven the histories of particular islands along divergent courses. To the north and east the USA has a long history of involvement in the Polynesian islands of Hawai'i and American Samoa. Micronesia and northern Melanesia in the nineteenth and early twentieth century were tied into the empires of Japan and Germany, along with the German colony of Western Samoa; defeat of Germany in World War I and of Japan in World War II led to their colonial possessions being transferred to the British Empire and the USA respectively, the first under the League of Nations mandate system, and the second as United Nations Trust Territories. Scattered across the Pacific by 1900 were French territories in New Caledonia (originally a penal colony), Wallis and Futuna, and French Polynesia (the Society Islands and the Tuamotu archipelago). In the southeast Easter Island was (and remains) tied to Chile as its metropolis.

Within this patchwork of overlapping and shifting colonial spheres of influence, New Zealand has played an important role in the central and southern part of Polynesia. While still a British colony, Seddon's New Zealand in the 1890s and early 1900s sought to extend its boundaries to encompass various British-controlled islands¹. The Cook Islands and Niue were formally annexed in 1901 and declared part of New Zealand [link to the remnant Cook Islands Act at <http://www.legislation.govt.nz/act/public/1915/0040/latest/DLM181594.html#DLM181596>] on the same basis as the Chatham Islands (annexed in 1842). Having captured Western Samoa from Germany in 1914, the Massey Government tried to annex it in 1919, but was obliged to settle for a League of Nations Mandate which conferred administrative control but not outright possession. The British territory of Tokelau (then known as the Union Islands) was administered along with Samoa by New

¹ Dick Scott, *Years of the Pooh-Bah: A Cook Islands History* (Auckland: Hodder and Stoughton, 1991; Angus Ross, *New Zealand Aspirations in the Pacific in the Nineteenth Century*, Oxford: Clarendon Press, 1964).

Zealand from 1925 on, and in 1948 was formally annexed as New Zealand territory [link to Tokelau Act 1948 at <http://www.legislation.govt.nz/act/public/1948/0024/latest/DLM247577.html#DLM247579> and in particular section 3, “Tokelau is hereby declared to form part of New Zealand”].

In the era of decolonisation that followed the Second World War, United Nations resolutions and agencies emphasized self-determination for non-self-governing territories, and a list of such territories was drawn up in 1946 on which Peter Fraser’s government included Cook Islands, Niue and Western Samoa but not the Chatham Islands or Tokelau². Self-determination and the possibility of independence for all such territories was foreshadowed by the UN, and in 1960 General Assembly Resolution 1514 [link to http://en.wikisource.org/wiki/United_Nations_General_Assembly_Resolution_1514] called for full independence for all territories on the list. The General Assembly subsequently agreed that an “act of self-determination” for each territory would be sufficient, the outcome of which could be integration, independence, or “self-government in association” with a larger country. [Reference to lengthy discussion of decolonization issues in AJHR 1965 Vol. 1 A2 ‘New Zealand’s Participation in the United Nations 1963’.] New Zealand’s original intention to integrate its island territories into a single nation had by this time given way to strong resistance in Wellington to the integration option³. Having organised Western Samoa’s independence in 1962, the New Zealand Government acknowledged that none of the other island territories would willingly take that option, nor give up their historic right to New Zealand citizenship. Determined to block full integration of the islands with New Zealand, New Zealand Governments in the 1960s and 1970s manouevred the Cook Islands and Niuean assemblies into acceptance of “self-government in free association” in 1965 and 1974 respectively, and tried repeatedly but unsuccessfully to induce Tokelau to give up its dependent-territory status and become similarly

² The former was by then considered already integrated into New Zealand, and the latter had not yet been formally annexed.

³ Articulated in, for example, the 1955 Belshaw-Stace Report on the Cook Islands – Belshaw, H. and Stace, V.D., *A Programme for Economic Development in the Cook Islands* Wellington, 1955.

separate⁴. As of 2008 the United Nations continued to press for Tokelauan independence and Tokelauans continued to reject even the self-government option, leaving unresolved the issue of Tokelau's long-run political status⁵.

At the end of the twentieth century, the focus of New Zealand political engagement with the Pacific shifted westward from Polynesian to Melanesia. Concern with Melanesian political developments was aroused by the two Fiji coups of 1987 which New Zealand found itself powerless to prevent or resolve. Military participation in peacekeeping followed in Bougainville in 1997⁶, East Timor in 1999 (not strictly in Melanesia but immediately adjacent, and often included in contemporary discussion of "Pacific affairs"), and the Solomon Islands in 2003 (as part of the Australian-led RAMSI mission). Military engagement was accompanied by a reallocation of New Zealand aid spending towards Melanesia (see below) and a revival of Melanesian migration to New Zealand (Fijian work gangs had been recruited in the 1950s to clear marginal farmland).

Trade

Trade with the Pacific Islands has never been a large fraction of New Zealand's total overseas trade. Even during the expansionist era from the 1890s to 1920, only about 4% of imports were sourced from the islands, with the ratio rising briefly to 6% when imports from Europe were slowed by the First World War. From the 1920s until 1980 about 1-1.5% of imports came from the islands (again with a brief increase during and after the Second World War), and this had fallen to 0.5% by the late 1990s. Only in a few limited niches does New Zealand provide any market for island exports.

Exports exhibited the opposite trend, but again as a very small part of the New Zealand total. Only 1% of total exports were destined for the islands from the 1890s until the early 1950s. Over the following two decades, steady expansion took the

⁴ The issues were discussed extensively in Chapter 3 of Bertram, I.G. and Watters, R.F., *New Zealand and its Small Island Neighbours: A Review of New Zealand Policy Toward the Cook Islands, Niue, Tokelau, Kiribati and Tuvalu*, Wellington: Institute of Policy Studies, 1984.

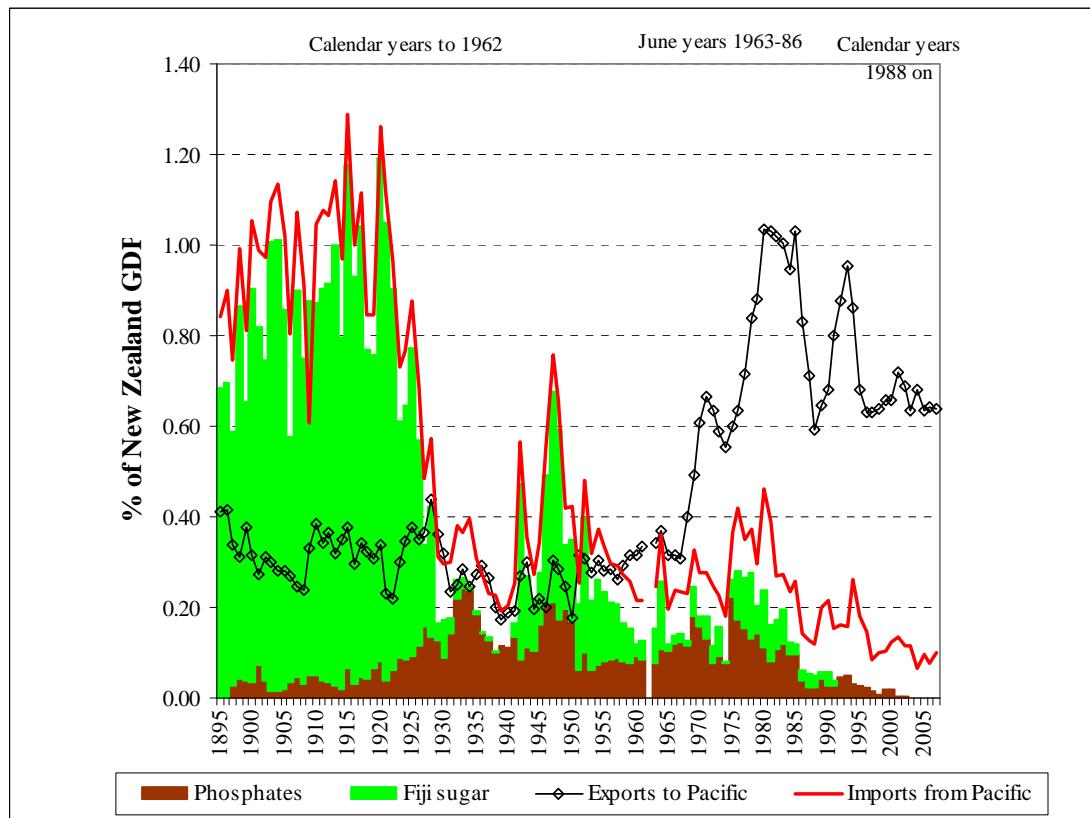
⁵ Hooper, Anthony, "Tokelau: A Sort of 'Self-governing' Sort of 'Colony'", *Journal of Pacific History* 43(3): 331-339. December 2008.

⁶ McMillan, Stuart,

share up to 3% by the early 1970s, and then to a shortlived peak of 3.9% in 1983, before it fell back below 3% in the mid 1990s and has remained there since.

[Here a link could lead to a table with the aggregate data for exports, imports, and GDP for anyone wanting the big historical trends.]

Figure 1: New Zealand Trade with Pacific Islands, 1895-2007



Although politically and culturally New Zealand was primarily concerned with Polynesia over the past century, its trade interests in the region lay more in Melanesia and Micronesia. In the first two decades of the twentieth century, trade (Figure 1) was dominated by imports of raw sugar from Fiji by the Colonial Sugar Refining Company⁷, which had built up plantation and milling operations in Fiji in the 1980s linked to the company's Auckland refinery (opened 1884). Under the rules of Imperial Preference in the 1920s it became cheaper to source raw sugar from other

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Knapman, Bruce, *Fiji's Economic History 1874-1939: Studies of Capitalist Development*, Pacific Research Monograph 15, Canberra: Australian National University, 1987; Moynagh, Michael, *Brown or White? A History of the Fiji Sugar Industry, 1873-1973* Pacific research monograph 5, Australian National University, Canberra, 1981; *The Chelsea Project: New Zealand Sugar Centenary 1984*, Auckland City Art Gallery 1984.

countries, and Fiji ceased to be the main source of sugar supply for New Zealand, although the trade revived for a period in the 1940s and again in the 1980s. (In the past half century most sugar has been imported from Australia.)

The second major Pacific trade commodity was phosphate rock, which is combined with sulphuric acid to manufacture superphosphate, the main fertiliser for New Zealand's pastoral export economy from the 1930s on. Rock phosphate replaced guano in the first decade of the twentieth century, and from the early 1920s until the mid 1980s phosphate was New Zealand's principal import from the Pacific region.

Prospecting in the islands around 1900 resulted in the discovery of extremely large reserves of phosphate rock on Ocean Island (Banaba) in modern Kiribati and Nauru (then a German protectorate) in 1900 by a New Zealand prospector and entrepreneur, Arthur Ellis, an employee of the Melbourne-based Pacific Islands Company⁸. Similar large deposits on Makatea⁹ (Aurora Island) in the Tuamotu Archipelago in modern French Polynesia, and Angaur in the Caroline Islands (modern Palau)¹⁰ came to light not long afterwards. The privately-owned Pacific Phosphate Company organised and controlled the early development of Nauru, Banaba and Makatea, but when in 1919 the League of Nations gave the Nauru Mandate to the British Empire with Australia as administrator, the company's interests in Nauru and Banaba were taken over by the British Phosphate Commissioners, a joint venture of the British, Australian and New Zealand Governments, which proceeded to work the deposits out at roughly twice the optimal speed¹¹, selling the phosphate at prices sometimes as low as half the world

⁸ Williams, Maslyn and McDonald, Barry, *The Phosphateers: A History of the British Phosphate Commissioners and the Christmas Island Phosphate Commission* (Melbourne University Press 1985; Binder, Pearl, *Treasure Islands: The Trials of the Banabans*, Blond and Briggs, London, 1977.

⁹ See <http://www.teara.govt.nz/NewZealanders/NewZealandPeoples/CookIslanders/1/ENZ-Resources/Standard/5/en> ; *Tahiti & French Polynesia: Your Ticket to Paradise* (Lonely Planet 2003) by Hilary Rogers, Jean-Bernard Carillet, Tony Wheeler p.217; Krech, Shepard, John Robert McNeill, and Carolyn Merchant, *Encyclopedia of World Environmental History*, Vol.3 O-Z (Routledge 2003) p.953.

¹⁰ Krech et al p.953; Lal, Brij V. and Fortune, Kate (eds), *The Pacific Islands: An Encyclopedia* (Hawaii University Press 2000) p.212; Decker, John Alvin, *Labor Problems in the Pacific Mandates*, Shanghai: Kelly and Walsh Ltd, 1940, facsimile edition AMS Press New York, n.d., Chapter 5.

¹¹ Cox, J. and Kennedy, J., *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

price¹², for the benefit primarily of Australian and New Zealand agriculture. Makatea was exhausted by 1966, Banaba by 1979, and Nauru (which after independence in 1968 controlled its own phosphates) ceased large-scale production in 2000¹³. The British Phosphate Commission, on which a New Zealand Government appointee had always held one of the three directorships, was wound up in 1981. (New Zealand's phosphate supplies now come mainly from North Africa.) Protection of its interest in secure phosphate supply was a critical backdrop to New Zealand policy in the Pacific in mid-century.

As Figure 1 shows, the balance of trade between New Zealand and the Pacific underwent a radical reversal from massive import surplus 1890s-1930 to rough balance in mid-century to an equally massive export surplus since 1970. With the end of the era of sugar and phosphate imports, the Pacific ceased to be a source of supply for anything except the small fruit and vegetable import market; but the region became a significant export market for New Zealand products, especially meat. The high-quality meat export trade with OECD countries has as by-products both (canned) corned beef and lamb flaps, which have become staple favourites of the islander diet throughout the Pacific – first corned beef, which penetrated the Polynesian and Fijian markets linked to New Zealand from the 1920s and boomed after the Second World War, and later lamb and mutton flaps, exports of which to the islands took off in the 1970s and 1980s.

A footnote to New Zealand's early expansionist ambitions in the Pacific is the repeated failure to establish fruit exports from New Zealand's dependent territories on a commercially-viable footing. Heavy subsidies were paid by the New Zealand Government on banana exports from Samoa (1920s to 1940s), citrus in the Cook Islands (1950s and 1960s), bananas in Aitutaki and passionfruit in Niue (both 1980s) but none of these became sustainable export sectors in the long run because of small

¹² Hughes, Helen, “The Political Economy of Nauru”, *The Economic Record* 40(92): 508-534; Walker, K.E., *Appendix: Estimates of the F.O.B. Cost of Nauru Phosphate, the Commercial Price for Nauru Phosphate and the Loss of Earnings from the Underpricing of Nauru Phosphate*, February 1990, pp.259-351 in *Memorial of the Republic of Nauru Vol.1*, April 1990, International Court of Justice, *Certain Phosphate Lands in Nauru (Nauru v. Australia)* <http://www.icj-cij.org/docket/files/80/6655.pdf> .

¹³ http://en.wikipedia.org/wiki/Nauru_Phosphate_Corporation

scale, natural hazards and high shipping costs. From 1926 to 1975 the New Zealand Government owned and operated its own ship (*Hinemoa* 1926-28; *Maui Pomare* 1928-1960; *Moana Roa* 1960-75) dedicated to the Niue and Cook Islands trade, and chartered shipping to maintain contact between Tokelau and Apia. Thereafter for many years subsidies were paid to the New Zealand-Cook Islands Joint Shipping Service and the Pacific Forum Line to keep trade moving. The cost of shipping subsidies was large relative to the value of the goods carried, and without the six decades of subsidies the small island territories would have been effectively isolated from outside markets. The phasing-out of shipping subsidies and the high cost of air freight underlies the current low level of imports from the Pacific.

Aid

Figure 2 shows New Zealand's official development aid since 1965 when statistics were first produced. Prior to that date the chart shows for 1922-1964 the flow of government funding to the Pacific islands in the forms of budgetary grants, shipping subsidies and scholarships. The first panel shows real aid flows in terms of New Zealand dollars revalued to year-2000 prices using the GDP deflator. The second panel shows aid flows as percentages of New Zealand's GDP (the usual metric in discussions of aid effort). Since the mid 1960s the Pacific has consistently absorbed about half of New Zealand's total aid, with a progressive re-allocation of that half from Polynesia (effectively 100% until the 1940s, half in the 1980s, and 40% now) to Melanesia (20% in the 1980s, one-third now).

Figure 2: New Zealand Aid to the Pacific and Elsewhere

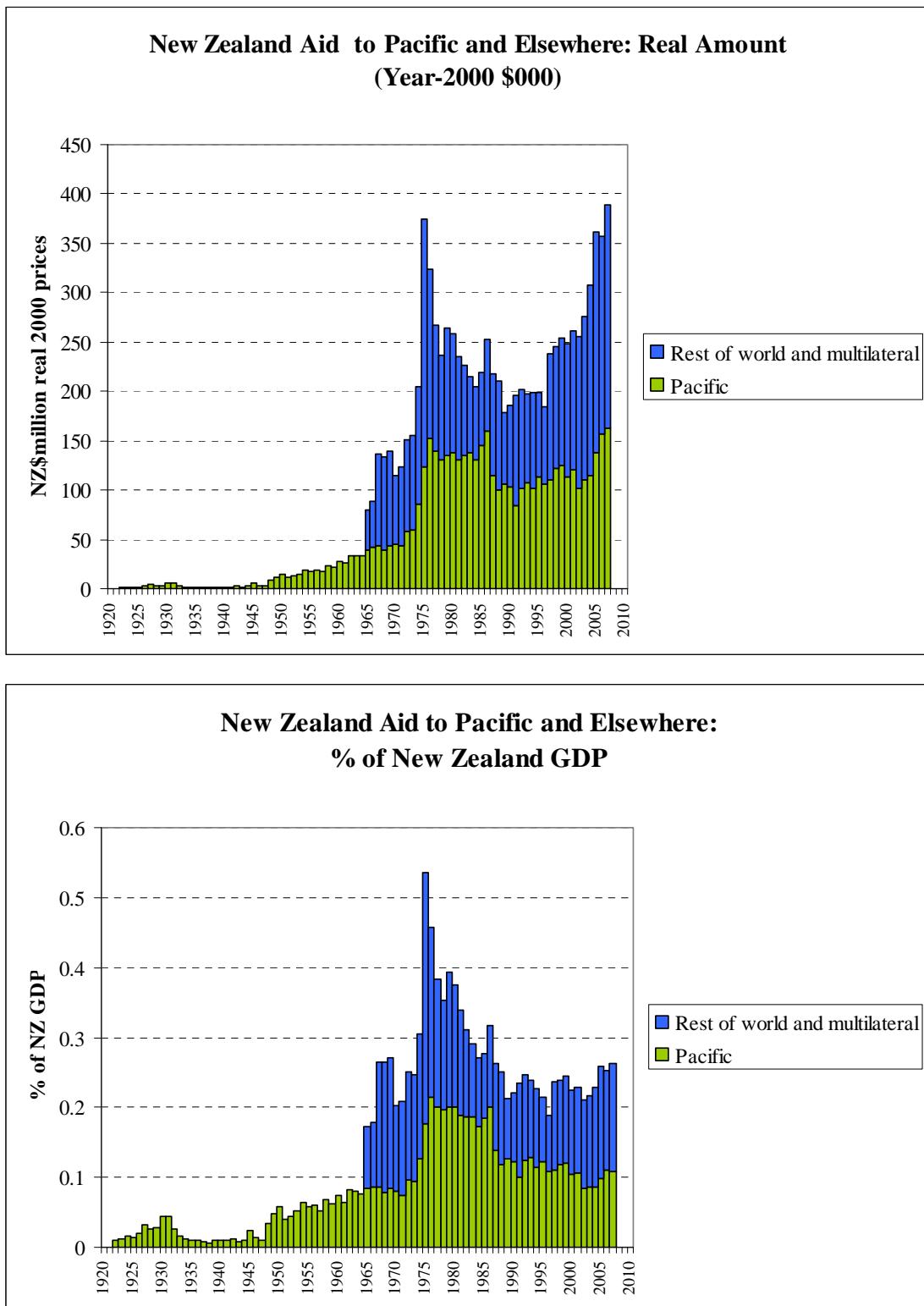
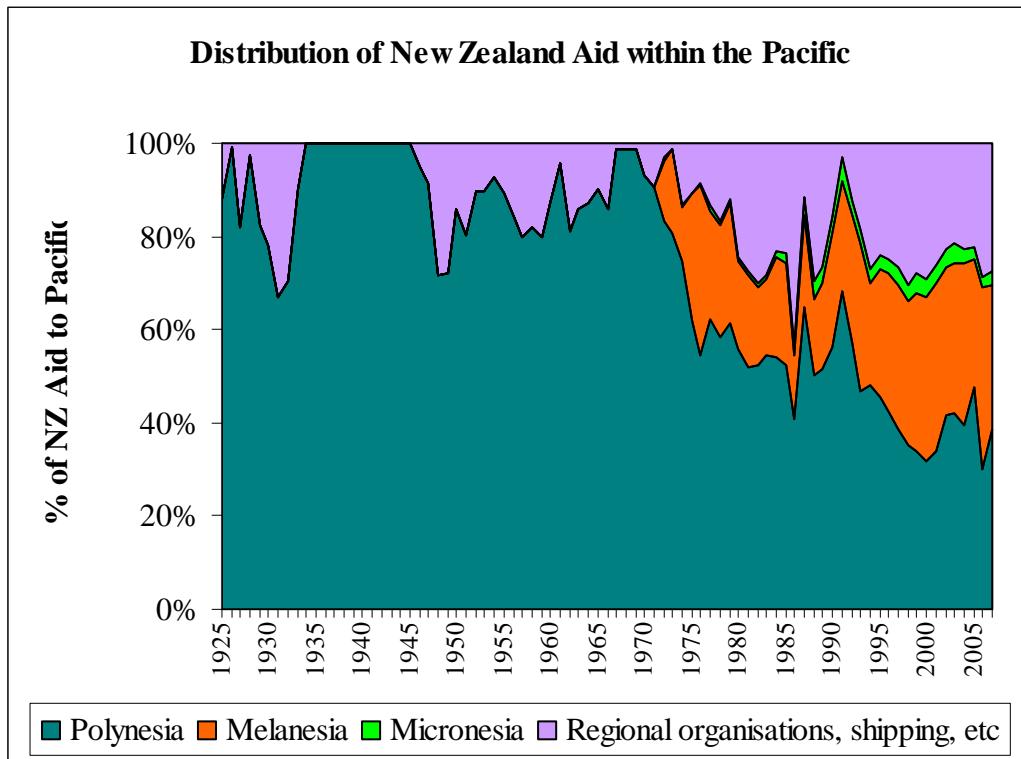


Figure 3: Distribution of New Zealand Aid Flows in the Pacific

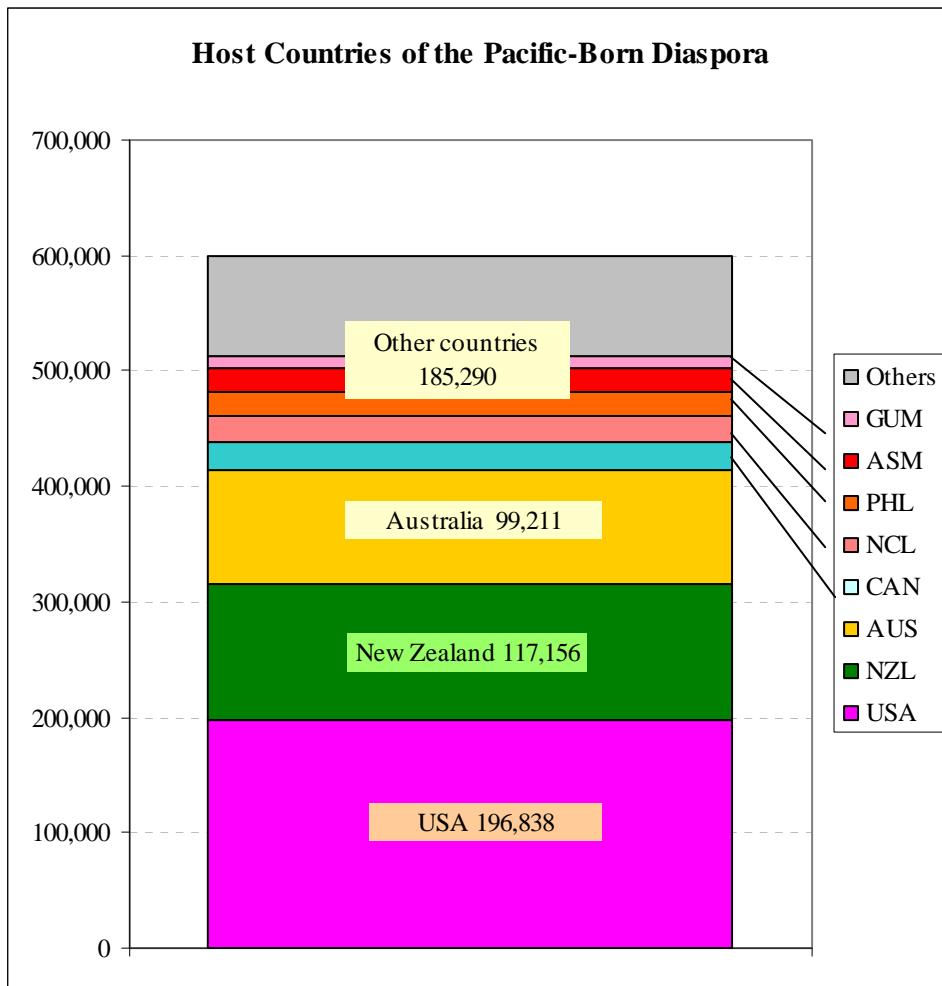


Population

Migration from the islands to New Zealand on a small scale occurred from the nineteenth century on, but the mid twentieth century brought the start of a mass movement which raised the population of Pacific Islanders in New Zealand to 266,000 by the time of the 2006 census. Of these, just over half (136,000 or 51%) had been born in the islands and 49% were second or third-generation islanders born in New Zealand.

Figure 4 shows the distribution around the world of the 600,000 people born in the Pacific islands (excluding New Zealand and Norfolk Island) who were living away from their birthplaces as at 2000. The large migrant group in Australia is explained mainly by the ease of movement between New Zealand and Australia for migrants who have acquired New Zealand residency or citizenship, combined with New Zealand's relative openness to Polynesian migrants.

Figure 4



Source: Parsons, C.R., R. Skeldon, T.L. Walmsley, and L.A. Winters, *Quantifying International Migration : A Database of Bilateral Migrant Stocks*, World Bank Policy Research Working Paper WPS4165, March 2007, and accompanying database downloaded from http://www.migrationdrc.org/research/typesofmigration/Global_Migrant-Origin_Database_Version_4.xls

Three charts summarise the history of the half-century after the Second World War.

Figure 5 traces the growth of the population of Pacific island descent or ‘race’¹⁴ (to 1981) or ‘ethnicity’ (thereafter)¹⁵, together with the number of Pacific-islands-born New Zealand residents. The chart shows rapid growth of the migrant population during the 1950s, 1960s and 1970s from a small starting base, with some slowing of growth after the mid 1980s as jobs growth in the New Zealand economy slowed. The

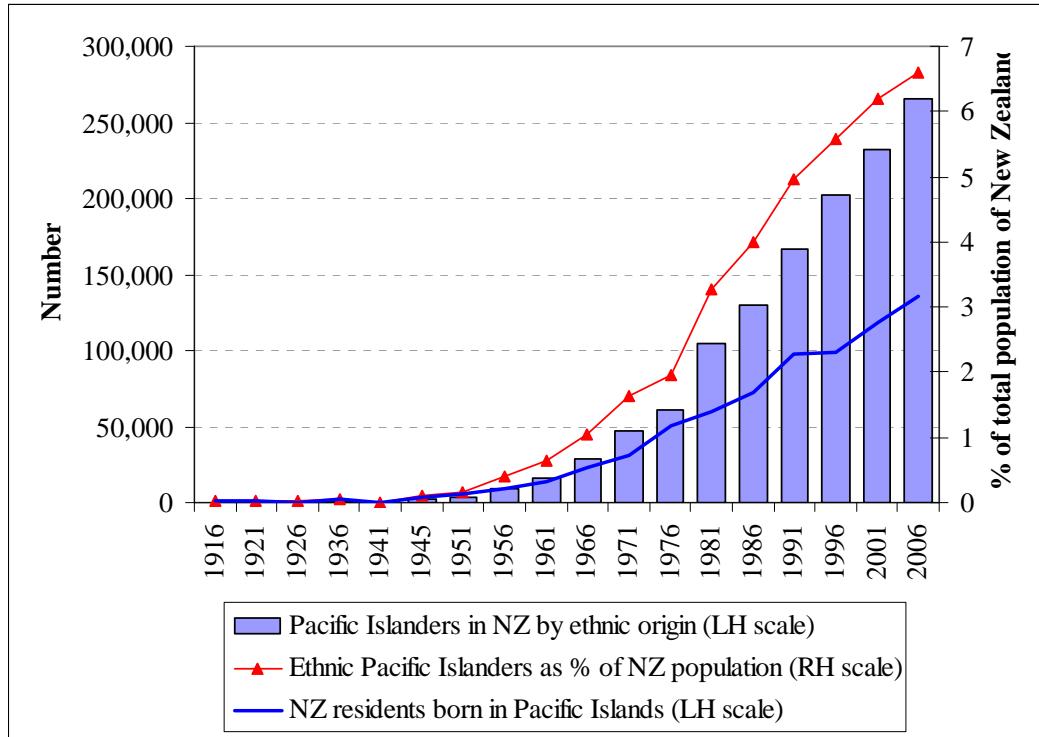
¹⁴ Excluding Fijians of Indian descent.

¹⁵ For a similar chart for a shorter period cf Statistics New Zealand and Ministry of Pacific Affairs, *Pacific Progress: A Report on the Economic Status of Pacific Peoples in New Zealand*, 2002, <http://www.stats.govt.nz/NR/rdonlyres/6A7B7C41-5C64-4960-9075-CDC312C3B2D9/0/PacificProgressFull.pdf>

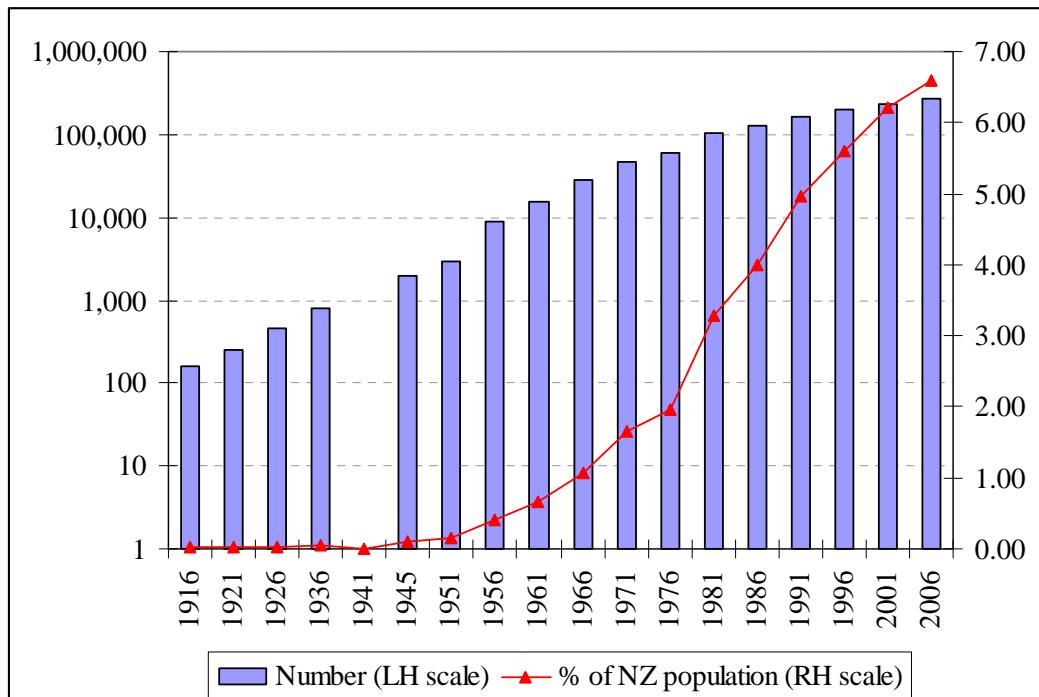
rate of penetration of Pacific Islanders into the New Zealand population at large continued to slow in the five years 2001-2006, though their share was still rising.

Figure 5: Pacific Islander Population in New Zealand

(a) Absolute magnitudes



(b) Population drawn on a log scale

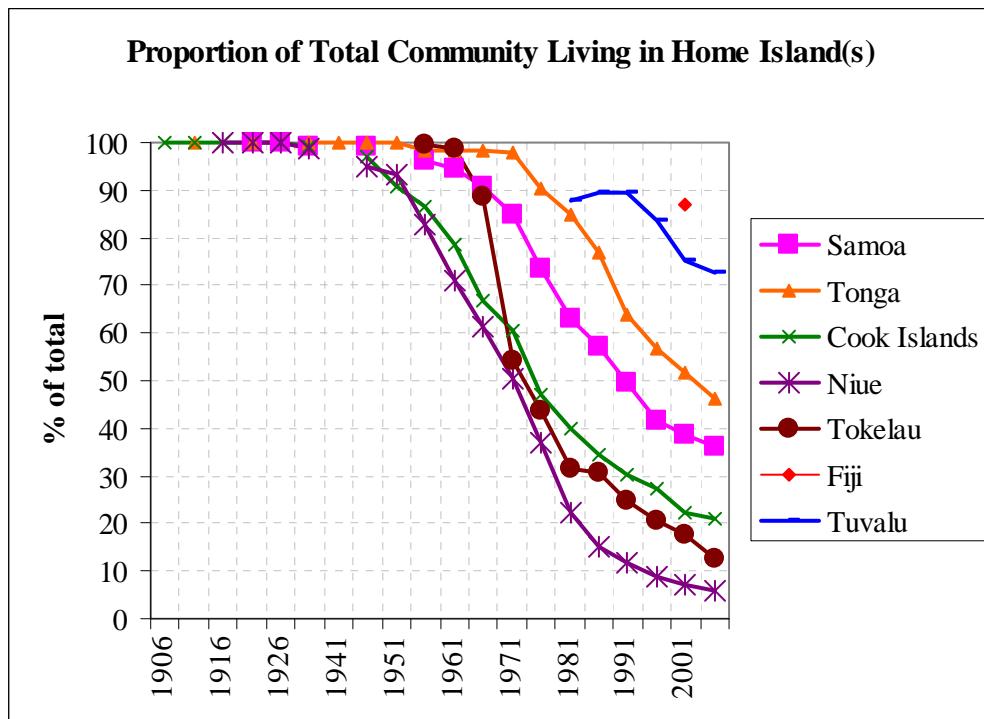


Drawing the chart with population on a log scale confirms the steady slowing of the rate of increase of the Pacific Island ethnic group after 1981, consistent with the proposition that a transitional phase of migration was settling to some sort of equilibrium.

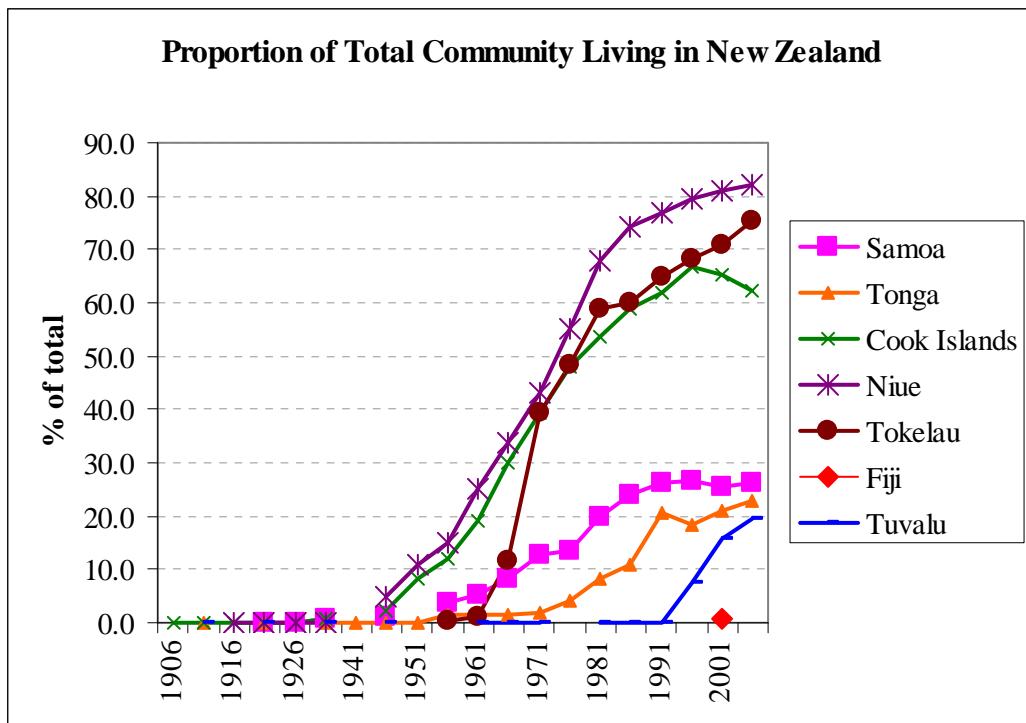
Figure 6 shows the migration transition process for the seven main sources of migrants to New Zealand over the past century. Figure 3(a) shows the emigration process, starting with Niue and the Cook Islands in the 1950s, Samoa in the 1960s, Tokelau in the 1970s, Tonga in the 1980s and Tuvalu in the 1990s (following the return home of formerly-migrant workers from Kiribati) at the end of the 1970s).

Figure 6: The Migration Transition in Seven Island Communities

(a) Emigration



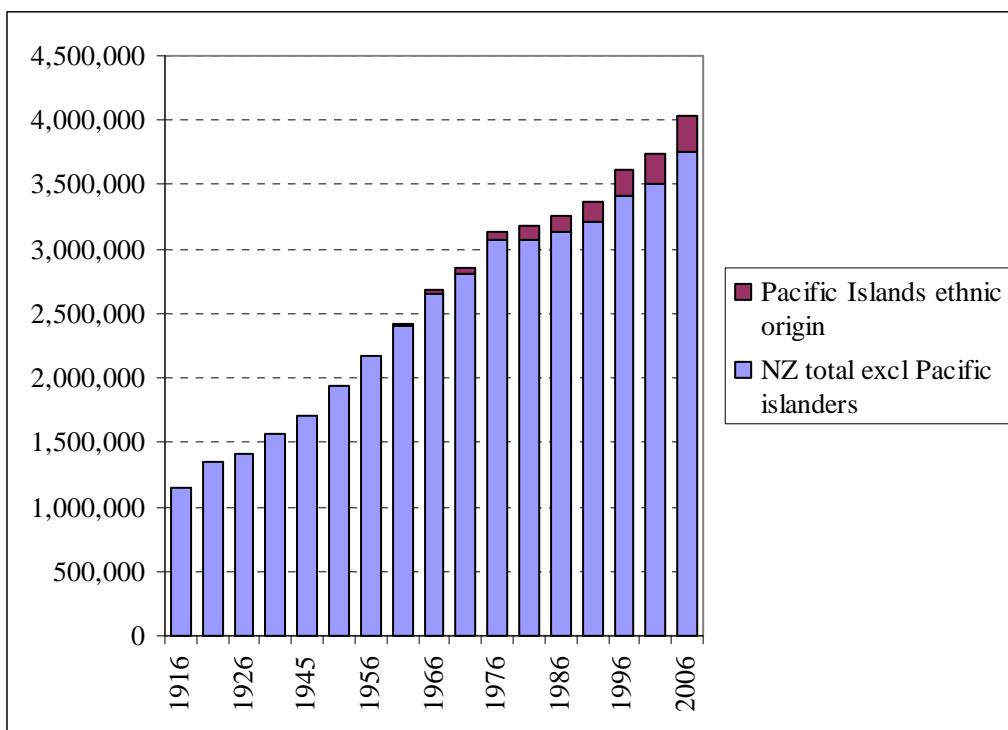
(b) Immigration to New Zealand



There is a clear contrast amongst three sets of migrant source communities. The island peoples that have New Zealand citizenship (Cook Islands, Niue and Tokelau) had all by the 1990s reached the stage where less than one-third of the total community remained on the home island(s). Niue was the most dramatic relocation, with the home-resident proportion of the community falling from 95% in 1945 to 6% by 2006, with 82% resident in New Zealand and the remaining 12% living elsewhere in the world (including Australia). Tokelau embarked on the process later but moved faster than Niue, with virtually the entire community living in the islands in 1961 and only 32% by 1981, falling to 13% in 2006. The Cook Islands migration surge leveled out with over 20% still living in the islands, and the proportion living in New Zealand peaked at 67% in 1996 before falling back to 62% in 2006, largely due to onward migration to Australia.

Figure 7, plotting the Pacific Islander population against the NZ total, emphasises that Pacific Islanders have been only a small minority group from the viewpoint of the New Zealand population throughout the past century.

Figure 7: Pacific Island Peoples in the Total New Zealand Population



The Pacific population was less than 1% of the total before 1966 and still below 7% in 2006. Although it is a tiny fraction historically, its significance for population growth has increased radically in the past three decades. Up to the 1960s the growth of New Zealand's population was driven by natural increase and by migration from more distant regions, especially Europe. Since 1976, however, the expanding islander migrant communities have accounted for 23% 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.

Figures 8 – 13 show the process of dispersion of several Pacific Island communities by migration over the past century. In each case the part of the total resident in New Zealand is shown in blue, broken down between those born in the islands and those born in New Zealand. *[Each chart can be linked back to a data table]*

Figure 8 Samoan Community by Place of Residence

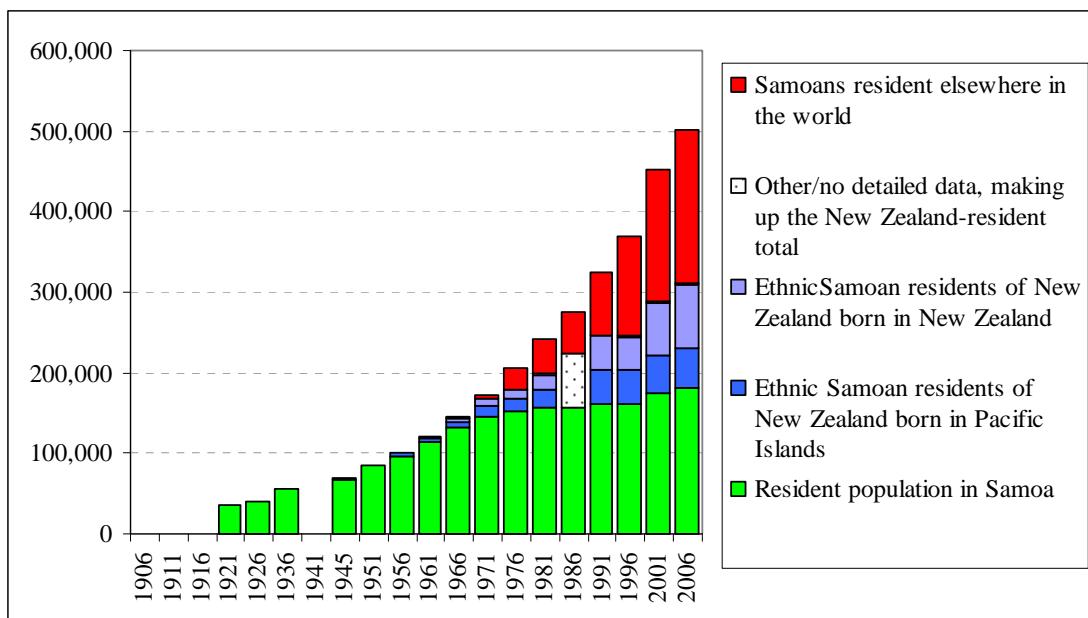


Figure 9 Cook Islands Maori Community by Place of Residence

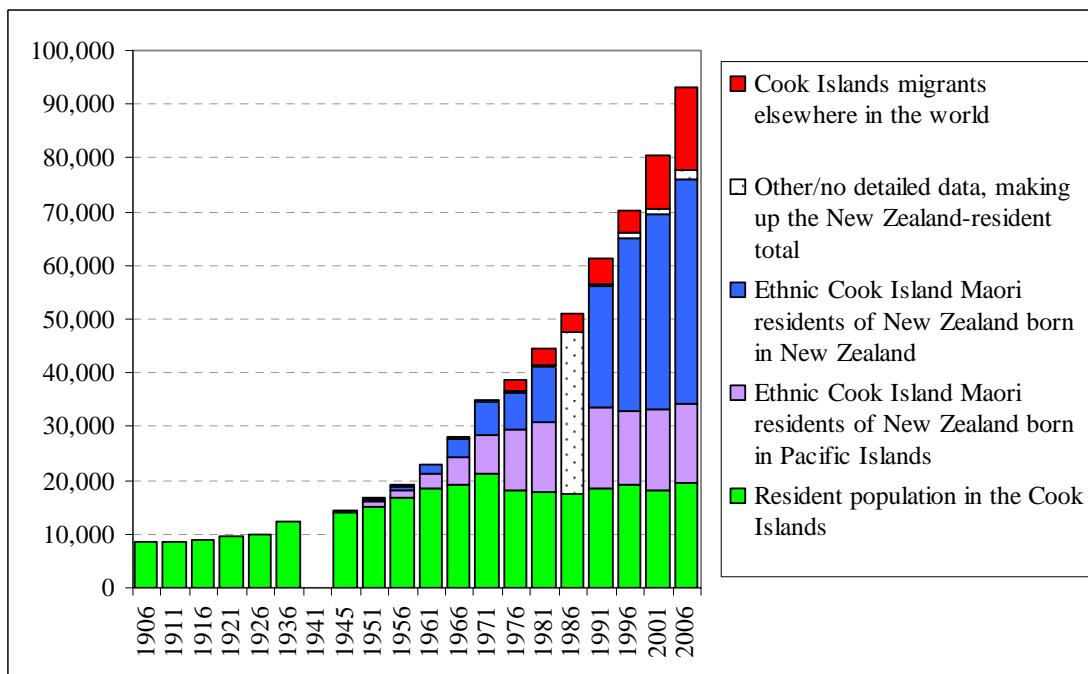


Figure 10: Tongan Community by Place of Residence

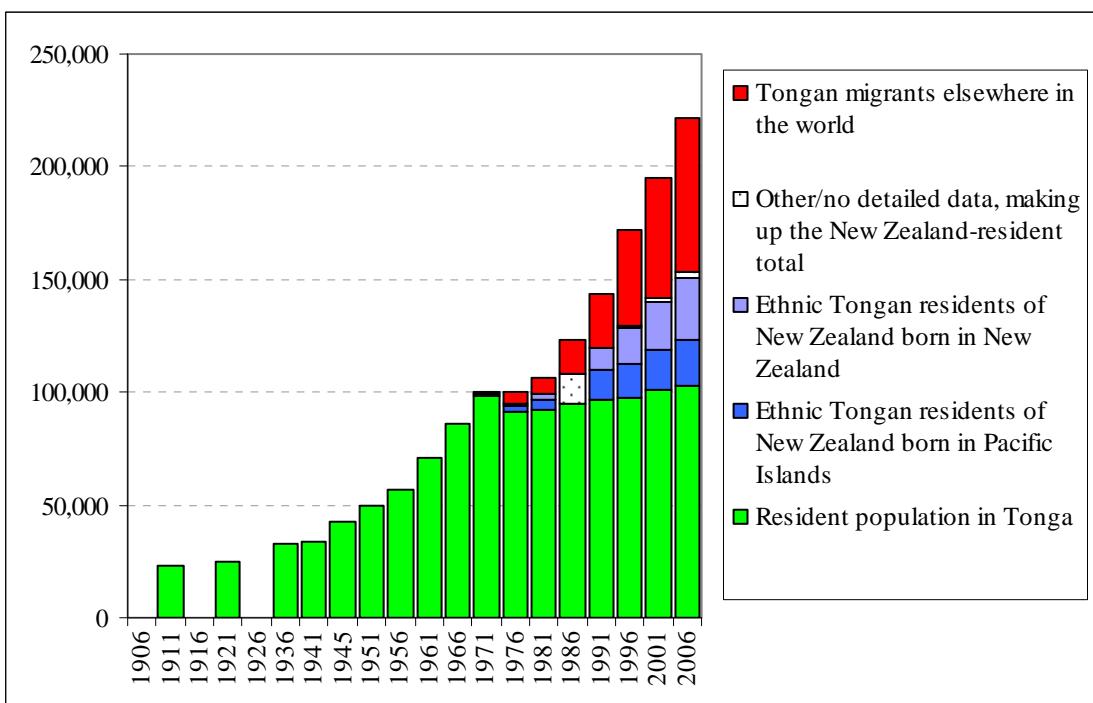


Figure 11: Niuean Community by Place of Residence

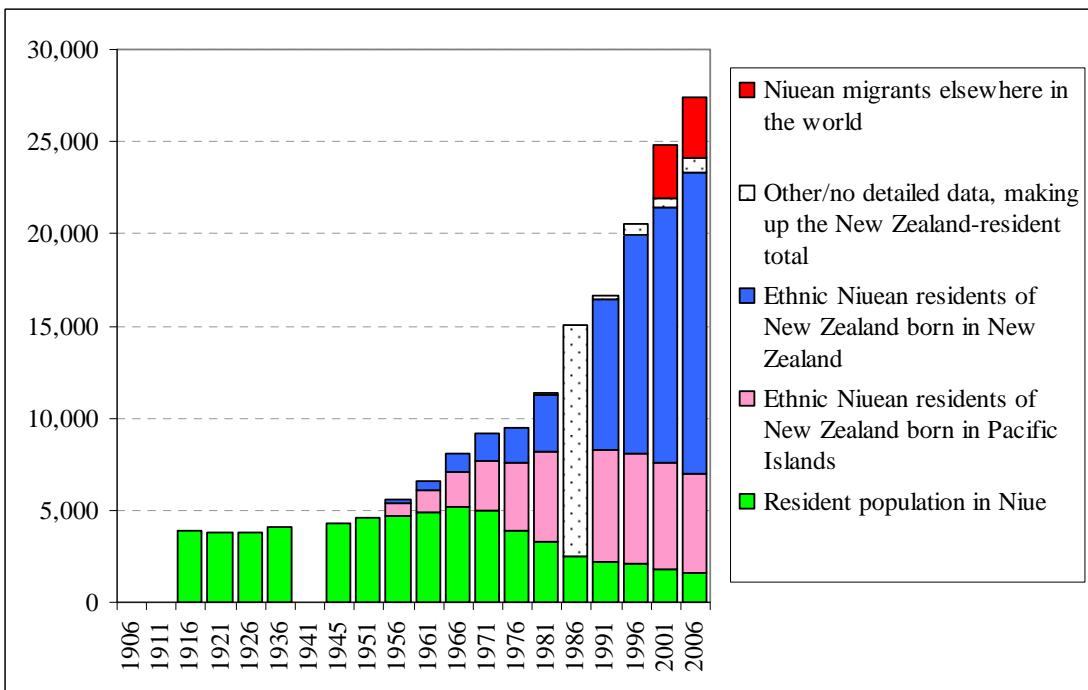


Figure 12: Tokelauan Community by Place of Residence

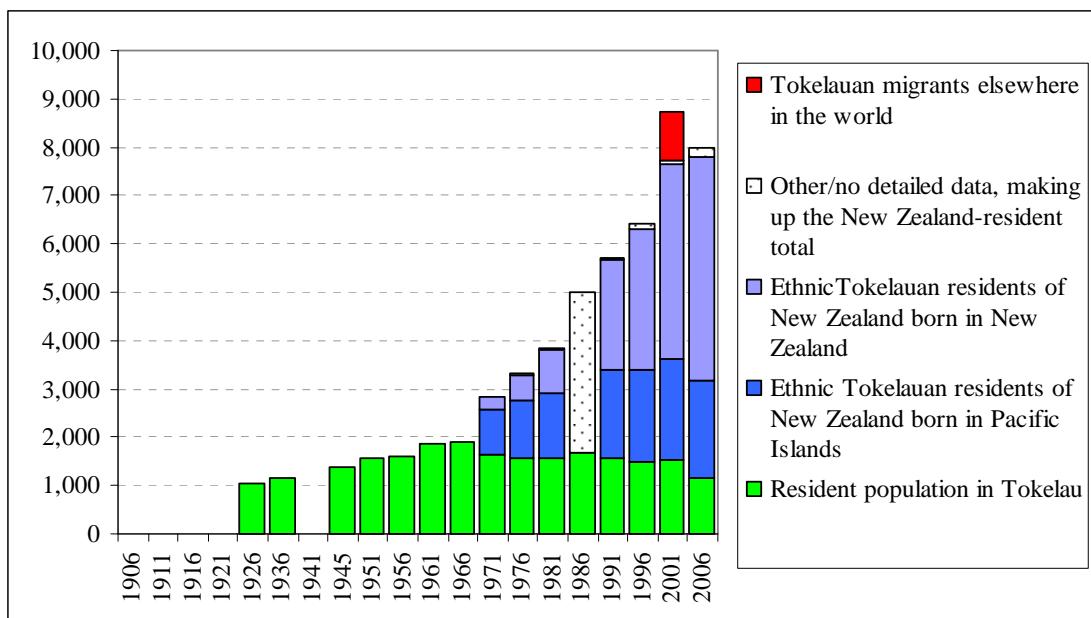
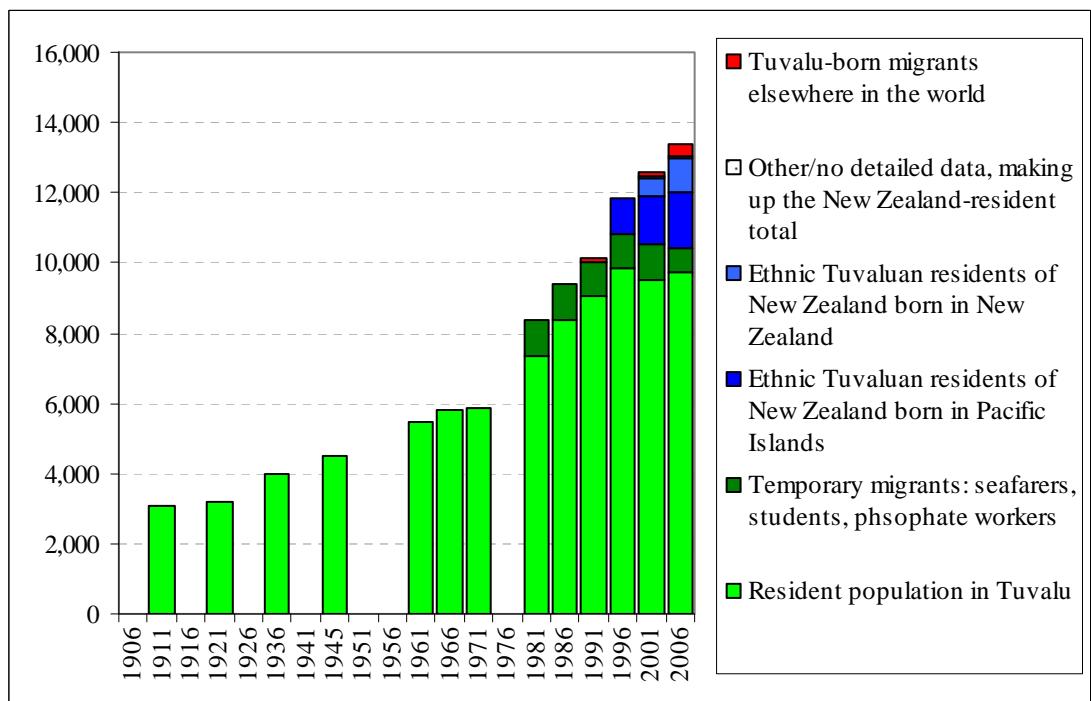


Figure 13: Tuvaluan Community by Place of Residence

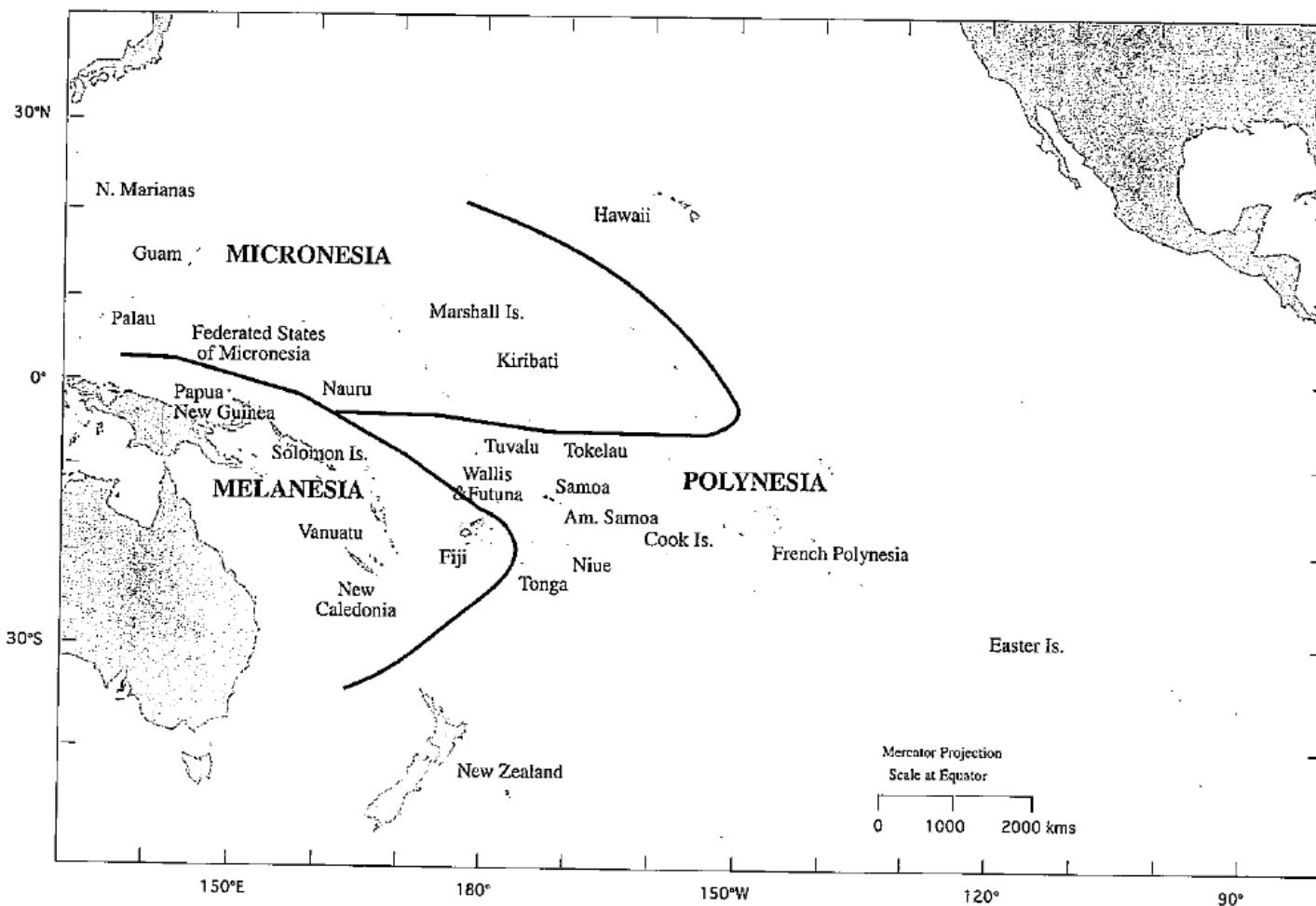


Remittances

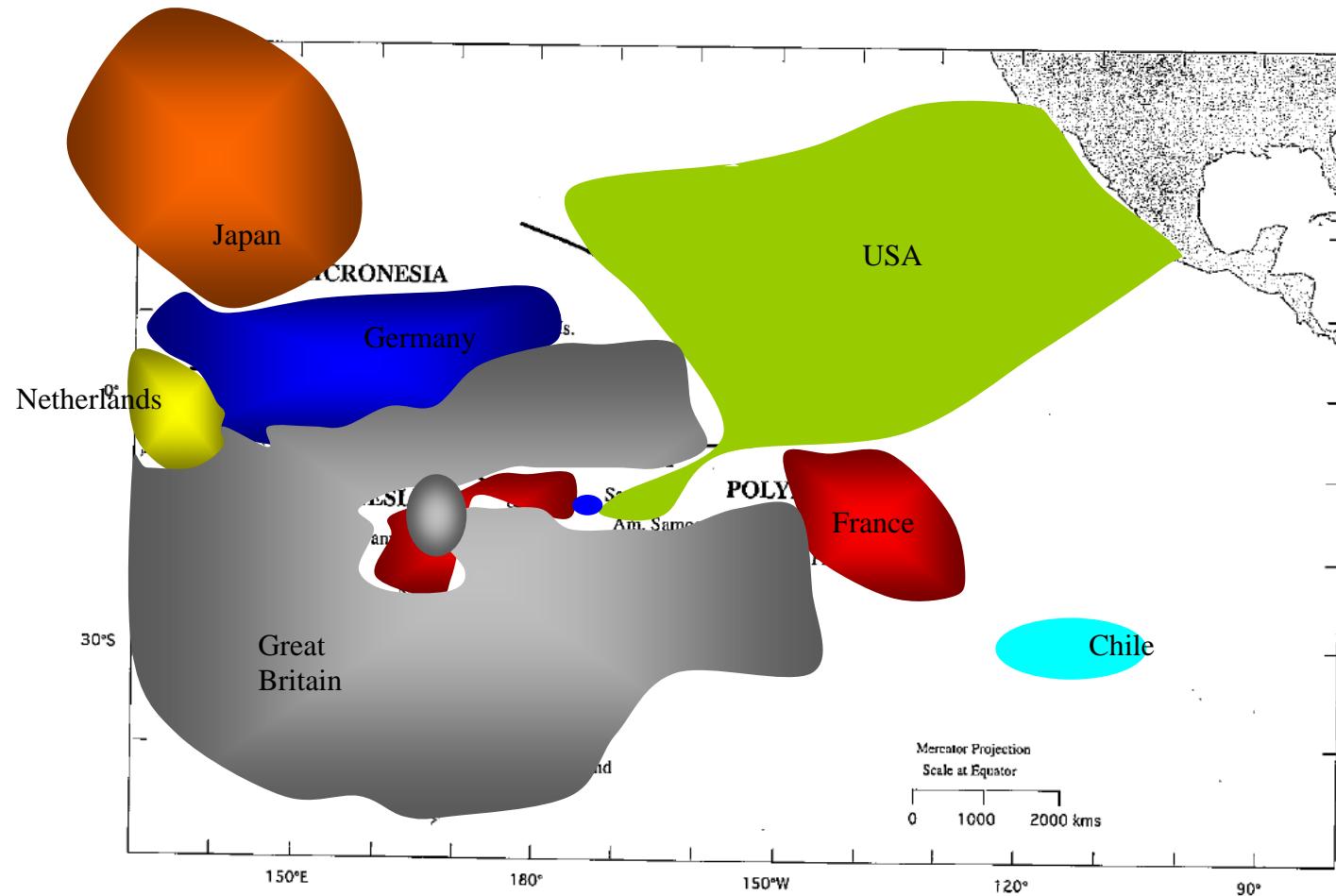
Alongside trade and aid, the third economic process linking New Zealand to the Pacific Islands is the sending of remittances by migrants, which has been a standard practice since the 1950s but has never been properly measured in New Zealand

statistics. An approximate estimate is that annual remittances from New Zealand by Samoans account for roughly \$30 million, by Tongans for \$80 million, and by Tuvaluans \$1 million. Cook Islander remittances were running at around \$5 million per year in the 1980s and may still be at this level, though they have declined in relative importance with the rise of tourism in the Islands. Remittances flow from Niue to New Zealand rather than vice versa, and Tokelau is too small to account for more than \$1 million or so. Allowing for other migrant groups' remittances, remittance flows from New Zealand to the Pacific Islands are probably around \$120 million per year, compared with aid flows of \$180 million and imports of \$170 million in 2007. For Samoa and Tonga, the remittance flow dominates - \$110 million, compared with imports of \$6 million and aid of \$26 million.

Map 1: Ethnographic Regions of the Pacific



Map 1(a) Spheres of Influence c1900 – sample of what I have in mind....



Map 1(b) Spheres of Influence c1950: sample of what I have in mind...

