WESTERN SAMOA AND NEW ZEALAND:
SMALL STATE - LARGE STATE RELATIONS

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ABSTRACT

The thesis examines Western Samoa and its bilateral relationship with New Zealand. The historical association of the two countries is considered, but the main focus is on the contemporary relationship, with specific mention of aid, trade and investment, and migration patterns and policies.

Small state theory provides a framework for the study. Western Samoa is found to be a 'typical' small developing state in all but one characteristic - its dependency on a single larger country is not as pronounced as could be expected. The relationship between Western Samoa and New Zealand also, conforms to the theories (those of small state-large state relationships), although it is somewhat unusual in that it exemplifies Morrison and Suhrke's partial linkage paradigm - a virtually non-existent entity according to the authors.

New Zealand, while apparently wishing to assist the economic and social development of the Western Samoan people, is shown to be somewhat hindered in the achievement of this objective by its failure (1) to establish clear priorities between Western Samoa's and its own development needs, and (2) to integrate, and assess the overlapping effects of, the various aspects of its relationship with Western Samoa.
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Fig. 1: The Western Samoan View of the Pacific.
CHAPTER ONE

INTRODUCTION

In recent years the issue of New Zealand's responsibilities to its poorer South Pacific neighbours has featured more prominently in both government policy and public opinion. It is felt that the country's special affinity with the region places particular obligations on it to help the Island governments and their peoples.

The thesis takes the specific case study of Western Samoa and examines the extent to which it is benefited by its close relationship with New Zealand. Three areas of interaction - aid, trade and investment, and migration - will be studied in detail in order to assess the different methods by which New Zealand has and/or does assist (or hinder) the Western Samoan people.

The theory relating to small states, and those states in their relationships with larger states, provides the framework for this study. While both countries are undoubtedly 'small' on a world scale, New Zealand is significantly larger than Western Samoa in comparative terms and it is in this context that Morrison and Suhrke's partial linkage paradigm and other models of the small state - large state bilateral relationship are employed.

Overall then, the thesis will examine Western Samoa as an example of a small developing state, and, by integrating the three separate areas of study mentioned
above, will assess the conformity of Western Samoa's relationship with New Zealand to the theories outlined in this initial chapter. The integration will also facilitate the drawing of conclusions concerning the degree to which New Zealand's actual policies manifest its supposed desire to meet its responsibilities and obligations to Western Samoa.

THEORETICAL PERSPECTIVES

This brief review of the theoretical concepts relevant to this study will begin with an examination of the literature concerned with defining the characteristics of 'small states' as such. Economic and foreign policy attributes will be especially emphasized, and the definition will be narrowed down somewhat near the end of the discussion in order to produce a model which is more clearly identifiable with Western Samoa - that is, the model of a small, developing state.

The relationship which exists between a 'small' and a 'large' country will provide the basis for the second part of this discussion of the theoretical literature. Morrison and Suhrke's partial linkage paradigm will be given particular consideration, as it allows the colonial-type relationship which existed between Western Samoa and New Zealand to be included in the analysis of the contemporary relationship between two such countries.

These parts of this study are designed to place the
specific case-study of Western Samoa, and that country's relations with New Zealand, in the context of similar situations throughout the world. In this way, an analysis can be attempted later on, in order to determine the degree to which this particular case is typical of the small, developing ex-colony in itself, and in its relations with its former 'colonial' (larger, developed) power, and the degree to which its characteristics are unique.

The Small State

The initial, and most basic problem related to theories of small states and their relationships with larger ones is that of the definition of the subject matter itself. By what criteria can one distinguish between small and medium or large states? Maurice East suggests that small states are characterized by one or more of the following:¹

1. small land area,
2. small total population,
3. small total GNP (or some other measure of productive capacity), and
4. a low level of military capabilities.

However, these characteristics, in common with any others one could suggest, are subject to some scrutiny when specific cases are examined. For example, by GNP criteria, Canada is of equal 'size' with China, while Sweden, with almost twice the trained military manpower of Britain,

¹ Maurice East, "Size and Foreign Policy Behaviour: A Test of Two Models", World Politics XXV (July 1973) p 559.
would rank significantly higher than that country if the fourth criteria of size was used.¹

Other, less easily measurable, characteristics have been suggested to help construct some size-ranking of countries. For instance, "...the capacity of the state to withstand stress, on the one hand, and its ability to pursue a policy of its own devising on the other."² But, as Jaquet points out, while this does apply to 'small states' mostly, powerless big states, such as pre-World War II China and India, would also fall within this definition.³

Therefore, in order to have some definite phenomenon about which these theories can be postulated, it is probably best to take David Vital's advice and "drop the idea of a fully objective indicator and frankly take common usage as one's guide."⁴ He suggests that, as both the politicians and the general public "classify states semi-intuitively"⁵ and therefore easily accept the existence of a 'small state', it is valid for theorists to do likewise. And, in developing their theories about the characteristics of 'small states',


² Vital, p 4.


⁴ David Vital, "The Analysis of Small Power Politics" in Shou and Brundtland. p

⁵ Ibid, p 17.
these writers help to further define their subject.

Probably the most obvious similarity between most, 'small states' is their lack of resources - both physical and human. This means that the level of economic development they are able to achieve without assistance from foreign capital, technology and experts, is relatively limited. And, in consequence, those small (and large too, in some cases) states which wish to advance their level of economic (and social) achievement, must be prepared to surrender their independence in some measure, to attain this goal.

But even those small states which do not seek industrial growth, are usually highly susceptible to outside influence through their trading patterns. Raimo Väyrynen outlines the major characteristics.¹

Small states:

(1) are more dependent on foreign trade,

(2) are more prone to having a deficit in the balance of trade,

(3) export more raw materials and import more finished goods,

(4) are more concentrated on one main trading partner, and,

(5) are more dependent on one single commodity in their export.

Some small states have tried to overcome these problems of lack of resources and unfavourable trading conditions through other economic activities. Bermuda and the Channel Islands for instance, have become tax havens and free ports (with low or non-existent customs and excise duties),\(^1\) while many other small countries have developed an extensive tourist industry in an effort to provide employment for their populations and (foreign) capital for the national coffers.

This problem of providing employment opportunities is a common feature in many small - especially small developing - states. The population, although tiny in absolute terms, is large in comparison to the resources available, and the slow economic growth rate cannot compete with the usually rapidly-increasing population. One solution has been emigration; an option favoured by many individuals in the small states, as Benedict explains:

"Lack of economic opportunities, increasing demand for manufactured consumer goods, the spread of education resulting in higher economic and social aspirations, increases in population, (and) the increase of information about opportunities and excitements elsewhere, have all been factors inducing emigration from small territories to large ones."\(^2\)

However, while this movement of population may be of great value to the individual emigrants themselves, it can have an extremely detrimental effect on the country they

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\(^1\) Burton Benedict, "Introduction", Problems of Smaller Territories. pp 4-5.

\(^2\) Ibid, p 6.
leave behind. Migrant flows are usually extremely selective. It is the young, usually male, more highly skilled/educated, and enterprising members of a society who are most likely to seek the challenge and promises of overseas migration. And as a consequence there is likely to be a marked change in the sex ratio and/or the age structure of the remaining population - "sometimes reaching a scale which threatens the viability of the economy."\(^1\)

So once again we return to the economic aspects of the small state's survival. In fact some writers would argue that it is not the threat of a military takeover which typically most concerns the leaders of small states, but rather, it is the danger of losing their economic viability:

"the small states'... problem of survival in their trade policy ... (is) under most circumstances and during the longest periods,... far more important than their security problem."\(^2\)

Even if one is not prepared to accept this statement as completely valid (Israel being a case in point), it does serve to emphasize the degree to which economic factors tend to dominate the foreign policies of the small states. As the preceding discussion may have suggested, in many cases, much, if not virtually all, of the investment, expertise, markets and other basics of economic development

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\(^1\) Burton Benedict, "Introduction", *Problems of Smaller Territories*. pp 4-5.

of small states is controlled by outside interests. The potential for political interference, or even control, by a foreign country (or company) is greatly enhanced by this economic vulnerability.

Because the amount of resources the small state is usually able to dedicate to international policy-making and activities is relatively small, once the economic aspects of foreign affairs have been covered, there is not much opportunity left for it to monitor, or participate in, other international developments. Of necessity then, it is forced into a "narrow functional and geographic range of concern in foreign policy activities." ¹ In other words,

"Most small states have a low level of international involvement.... (They) will pursue a limited number of policies which are usually distinguished by their high commercial content or regional nature." ²

Other characteristics outlined in the traditional model of the foreign policy behaviour of small states include: high levels of support for legal norms, avoidance of behaviour and policies which tend to alienate the more powerful states of the system, and frequent utilization of moral and normative positions on international issues. ³

Another, very important, feature is the small states' preference for, and high level of activity in, "organizations which provide a central forum for the conduct of diplomatic

¹ Maurice A. East, p 557.

² Ronald P. Barston, "The External Relations of Small States" in Shou and Brundtland. pp 41 and 49.

³ East, p 557.
communication and competition."¹ While the larger, stronger nations will seek decisions in the most limited forum possible, where their predominance is less likely to be challenged effectively, the small states, using the same logic, usually prefer such intergovernmental bodies as the United Nations to settle any disputes:

"The wider the forum, the more likely they (the small, weak states) are to find states which will take their side in opposition to the stronger system members."²

Therefore, the achievement of member status in the U.N., and the establishment of a permanent diplomatic mission in New York, is considered very important by most small states. Not only does this grant them 'equality' with the big powers of the world (on the one nation, one vote basis), but it also provides them with an opportunity to meet with the representatives of most of the countries of the world at very limited extra costs. Other methods of interaction,³ such as multilateral diplomacy, international conferences, regional organizations, and multiple diplomatic representation, also facilitate the resource-saving aim.

It can be seen therefore, that there is a wide range of literature suggesting many and varied characteristics which small states have in common; and the importance of


² Ibid, p 328.

³ East, p 560.
economic features in the writings on small states is fairly obvious from the above discussion. For this reason, this study of Western Samoa (a small, if not micro, state, by anyone's definition) will now specifically consider a slightly narrower concept of the small state - that of the small, developing state.

In this way the model of a small state against which Western Samoa will be compared later in this work, will be much more relevant, and the comparison therefore, more viable. By excluding such developed countries as Singapore and Monaco for instance, we are able to reduce the level of generality and vagueness in our model of a small state, and so greatly increase the applicability of the theory to the particular situation.

Because much of the preceding discussion has already outlined the economic characteristics of small, developing nations (such as a heavy dependency on trade, limited resources, and a high level of dependency on foreign interests), and the consideration of the colonial relationship later on, also mentions these features, it would be quite superfluous to repeat them here. In essence though, the small developing state has a lesser degree of 'power' and influence than any other political unit in the world, and therefore is the most vulnerable to outside domination and control - in whatever form (e.g. military, economic, political).¹

The Bilateral Relationship

Let us now turn to the second aspect of this study - that which considers the relationship which exists between a small (developing) state and a larger state. In this context, especially in the case of two such small countries on the international scale as Western Samoa and New Zealand, a slightly different definition of a 'small state' may be necessary, and Bjøl's would seem to be suitable:

"To be of any analytical use 'small state' should... be considered shorthand for 'a state in its relationships with greater states'."\(^1\)

And R.L. Rothstein also, believes that the size of a nation is related to its context:

"the Small Power is not defined by specific qualities it possesses (or lacks) but rather by a position it occupies in its own and other's eyes."\(^2\)

Under these definitions then, the relationship between Western Samoa and New Zealand can be regarded as falling within that body of literature which studies the interaction between small and large states. As long as one nation is significantly larger than the other, the relationship between them will almost inevitably reflect some aspect of this disparity.

Bilateral relationships between small and large nations have been the subject of many studies and reviews

\(^1\) E. Bjøl, "The Small State in International Politics", in Shau and Brundtland, p 29.

by political scientists, historians, economists and geographers alike. Some, like Bjøl, believe that the concentration of a small state's resources onto one larger state can be beneficial to that smaller state.\(^1\) Others would argue exactly the opposite point of view.

Bjøl's argument runs along the following lines: the larger power may have a much greater diplomatic apparatus, but then its range of interests and relationships is very much greater. And, as both countries will have approximately the same number of top decision-makers, the smaller nation is advantaged by the fact that its leaders can focus more strongly and more consistently in the single problem/country.\(^2\)

Freymond, while not agreeing that such a bilateral relationship is necessarily beneficial to the smaller state, does believe that dominance by the larger partner is not necessarily inevitable. He argues that if the concept of nationalism and desire for autonomy is strong, and widespread enough, the greater power can be overcome.

"...the assertion of a determination to exist as a nation, expressing itself in the form of an active resistance, even if conducted with primitive means of defence, is alone enough to create a political fact which the powers must take into account.... Any military effort, even if limited, which expresses national cohesion, increases the military and above all the political price which any adversary will have to pay, and helps to deter him from a possible risky venture."\(^3\)

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1 E. Bjøl, pp 29-37.


3 Jacques Freymond, "How the Small Nations can Contribute to Peace", in Shou and Brundtland. p 179.
However most other students of the bilateral relationships between small and large nations do not share this optimistic analysis of the balance of power. They believe that the larger of the two countries is almost inevitably dominant in every aspect of the relationship, and that "autonomy in decision-making for the small....state is relative and limited at best."¹

But this does not mean that every bilateral relationship between a small and a large country is identical. For instance, in some cases the smaller party is merely a pawn in the struggle between the super-powers for influence or dominance in a certain geographical region - the countries of the Middle East or Southeast Asia being prime examples here.²

Some small countries form an alliance with a larger power in order to attain some measure of security, and protection from other large powers. David Vital defines the small state in this situation as "a protégé or client or satellite."³ Its range of options or responses to any situation is limited by the terms of the alliance, and the interests of the larger nation (not necessarily in conflict with those of its own) dominate its foreign policy.

Since the Second World War however, there has been an increasing number of non-aligned small states. This development reflects the desire of these countries to

¹ Marshall R. Singer, p 290.
² See e.g. Vital, Chapter 3 "Israel - The Contemporary Paradigm" in The Survival of Small States. pp 54-98.
³ Vital, p 9.
establish a diplomatic identity distinct from the great powers\(^1\) and in so doing, become a relevant factor in international affairs, despite their lack of military and economic power.\(^2\)

Another way in which one can examine the bilateral relationship between small and large countries is through the *linkage paradigms* proposed by Morrison and Suhrke.\(^3\) These authors relate their theories to the Southeast Asian countries' relationships with the Soviet Union, China, and the United States, but their model has much wider applicability.

Linkages, describing the nature of the ties between a particular small state and the large power environment, are seen to have two characteristics - their intensity and their systemic or partial nature:

"The essence of a systemic linkage, as opposed to a partial linkage, is that the small state's relations with any one large power are heavily influenced by that power's relations with other large powers...... The intensity of the linkage refers to the degree of large power involvement with the smaller state and the saliency of large power policies to the foreign policy objectives of the smaller power..."\(^4\)

All small states' ties with larger powers, according to this argument, can therefore be placed into one of four

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1 Barston, p 48.

2 Radouan Vukadinovic, "Small States and the Policy of Non-Alignment", in Shou and Brundtland. p 101.


categories: intense/systemic, moderate/systemic, intense/partial, and moderate/partial; the most significant aspect of these groupings being the difference in tactics which are most likely to be effective when these states bargain with the large powers.

Due to lack of space, only the partial linkage paradigm, the one considered to be the most relevant to this study, will be examined in detail at this point. Suffice to say that the intense/systemic linkage describes the situation of a small state which is merely a 'pawn' (see above) in the competition among the large powers — for example Korea and Vietnam, while the moderate/systemic linkage is much the same, but with a lesser degree of involvement by the large powers in the small, e.g. in Thailand and Indonesia.¹

In a purely partial linkage, the small state's relationship with a large power does not reflect the latter's relations with other large powers, but instead

"... follows its own dynamic of history, geography, and ethnic or ideological affinities that pertain to the two states..."²

Morrison and Suhrke believe that this type of linkage is rarely, if ever, found.

However, it could be argued that the paradigm cannot be so easily dismissed, especially if it is applied to the relationship between two such relatively small states as Western Samoa and New Zealand. In a situation where the


² Ibid, p 294.
'large power' is as insignificant on the international scene as is New Zealand, the potential for the existence of a partial linkage relationship would appear to be increased.

The bargaining tactics of the small state in this situation are described as follows:

"(it). . .can exploit sentiments of obligation or treaty commitments or cultivate relationships with specific interest groups within the larger power, but beyond this the small state must rely on what it can offer the larger party. . . . such as economic privileges, political support or military facilities." 1

In essence therefore, the partial linkage relationship is basically independent of the international situation, but highly dependent on the domestic situations in the two countries concerned. It takes into account the interaction of the two countries over time, and in so doing, allows for the effect of colonialism and other historical events to be included in the analysis of the contemporary relationship.

Although Western Samoa was never formally a colony of New Zealand, the close political control once exercised by the larger country in the smaller, justifies a word or two on the theme of neo-colonialism - the concept of economic and political dominance by a larger power remaining, even though formal political independence has been achieved by the small state.

"Colonial economic relationships have been turned into trade and investment patterns. University training has been provided for potential leaders. Nationals of the former

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colonial power remain in the developing country to administer many of its private and government enterprises, (and), to formal diplomatic relations are added, in most cases, extensive economic assistance and propaganda activities."¹

The degree to which New Zealand can be considered a colonial country will be discussed, as will the relevance of the neo-colonialist image to its presence in Western Samoa today. After over half a century of NZ being the administering authority in Western Samoa, it would be very strange indeed if some elements of the colonial type relationship had not evolved.

However the very fact that New Zealand was not a colonial power in the true sense means that the large bodies of dependency and development theory are not really applicable to a study of its relationship with Western Samoa. There never was any significant migration of New Zealand colonists to the smaller territory, and the exploitative economic links which are the basis of these theories were never established.

Overall however it can be seen that the state of Western Samoa itself, and its relationship with the larger country of New Zealand, can be 'tested' against fairly applicable models: those of a small (and therefore almost inevitably developing) state, and that state in its relationship with a larger, developed country. In this way, as stated earlier, some attempt to assess the degree to which our particular case conforms to the conventional model can be made.

¹ O'Leary, p 336.
Fig. 2.1
CHAPTER TWO

WESTERN SAMOA: THE SMALL STATE

Physical Characteristics

Western Samoa is a small, if not minute, nation by any criteria. It has a total land area of 2,934 square kilometres\(^1\) and at the last census, in 1976, had a population of 151,983.\(^2\) There are two main islands, Upolu (1,100 km\(^2\)) and Savai'i (1,820 km\(^2\)) plus six small islets (see Figure 2.1). They are all of volcanic origin, with the most recent lava flows occurring early this century.\(^3\)

The soils on both\(^4\) islands, derived from basaltic rocks, are mainly stony and leached, and the porosity of the lava means that surface water is lacking over large areas. Fifty-one percent of the land area has been classified as having soils of a "low-to-very-low natural fertility" or being of little use for agriculture because of poor drainage.

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\(^4\) Only the two main islands will be discussed from now on. The others are too insignificant to warrant consideration.
or steep slopes.\textsuperscript{1}

The upland soils are generally not used for cultivation, but lowland soils have long been used for subsistence agriculture and have the potential for supporting a wide range of crops. The natural vegetation is thick tropical forest, although the shores are characterised by second growth woodland, coconut, pandanus and other trees, and some areas of mangrove swamp.\textsuperscript{2}

The climate is tropical with abundant rainfall, and the temperature ranges between 22 and 30 degrees Celsius all year round. There is a marked dry season from May to August and a wet season from December to March. Annual rainfall varies from over 5,000 mm in central Savai'i to under 2,500 mm in the north-west of both islands.\textsuperscript{3} However the difference in precipitation from year to year is quite marked, and the unpredictability of drought periods makes agricultural production marginal in many areas.\textsuperscript{4}

Population

The smaller of the two main islands, Upolu, accounts for almost 72\% of the population, with over 31,000 people (21\% of the total) living in the capital, Apia.\textsuperscript{5}

\textsuperscript{1} A.C. Wright, Soils and Land Use in Western Samoa, Soil Bulletin No. 22, Department of Scientific and Industrial Research (DSIR), Wellington. 1963. p 73.

\textsuperscript{2} Atlas of the South Pacific, p 27.

\textsuperscript{3} Ibid.

\textsuperscript{4} Ward, p 10-11.

\textsuperscript{5} Ibid.
The population density averages 53 persons/km², although most are in coastal areas, and with approximately 45% of the total population in North West Upolu¹ there are obviously some vast regional differences. The average natural increase in population between 1971 and 1976 was 3.02% per annum, but because of high migration figures the net annual increase was only 0.7%.

Over 90% of the population are full Samoans — making this the largest full-blooded Polynesian population in the world,³ and only about 1% (Europeans, Chinese, other Pacific Islanders) have no Samoan ethnicity at all.⁴ The Samoans do have their own language, but English is the language of commerce and is widely used in Apia and even in the villages.⁵

Samoans have largely kept their traditional way of life, especially in the more remote rural areas. The extended family unit (aiga) remains paramount, with the non-hereditary head (matai) responsible for directing the use of family lands and the conduct of other members of the aiga.

¹ Calculated from figures in the Quarterly Statistical Bulletin, p 4.


⁴ Atlas of the South Pacific, p 27.

⁵ Haas, p 103.
The church also, plays a dominant role in Samoan life. The people are strongly Christian and have assimilated the (Western) religions into the pattern of village life.1

Land ownership is varied. About 80% of the total area is customary land held in trust by the matai for family groups, 10% is government-owned, 4% is freehold, and 4% is held by the Western Samoa Trust Estates Corporation (WSTEC).2

The economic implications of the high proportion of land held by family groups were described in the 1966 Census:

"This insecurity of tenure which affects individual members of the family, including the 'matai' himself whom the family has selected and could depose, has been regarded ... as one of the chief reasons for the lesser development and lower productivity of aiga enterprises as compared with...other(s)."3

Traditionally there was no supreme leader and government was not centralised in Samoa. Today however,4 the country has a Head of State, with functions similar to those of a constitutional monarch, and a Parliament. The latter is composed of a Speaker and forty-six other members who (with two exceptions) are elected from among the matai by the matai only. The other two are elected by the Individual Voters Roll - i.e. those over 21 years of age who do not hold Samoan status.

1 Haas, p 103.
2 Atlas of the South Pacific, p 27.
4 All the political features mentioned here are from Haas, unless otherwise indicated.
There were no formally established political parties until April last year, when those opposed to the policies of the Prime Minister formed into a distinct Opposition party, the United Human Rights Protection Party. Normally the Prime Minister is chosen by the members of Parliament, and he then selects his own Cabinet. The present Prime Minister, Tupuola Efi (grandson of O.F. Nelson) has been in power since early 1976 when he was voted in by 31 votes to 16. His majority was substantially reduced in the 1979 elections however, and his position as Prime Minister was further threatened by the first-ever court rulings on the traditional practice of 'bribery' at election times.

Critics of Tupuola Efi say he has moved too fast in his four years of power for the more conservative forces in Western Samoa, and some accuse him of eroding fa'a Samoa, the Samoan way. He has earned these criticisms partly through his policy of encouraging the diversification of his country's international contacts through promoting aid, trade, investment, and tourist links with the outside world.

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1 New Zealand Herald, 6 June 1979.
2 See Chapter Three.
4 The Chief Justice forced four elected members to resign, when he "rather bravely decided where custom ended and bribery ... began." This means by-elections, and a new vote in Parliament for the position of Prime Minister. Ibid.
5 Ibid, p 81.
6 Haas, p 104.
Many (especially foreign) observers would warmly commend Tupuola's attempts to build a more stable economic base for his country. The current position of the economy is somewhat adverse and, in common with many other (small, developing) countries whose liquidity is dependent on the export of primary produce, the balance of trade is heavily in its partners' favour.

The economy is based on agriculture which employs over 60% of the labour force and generates more than 95% of export earnings. And the bulk of the agricultural produce comes from the small, Samoan producers. In 1966 an estimated 80% of copra, 50% of cocoa, and 60% of bananas was provided for the export market by this sector. And in 1977 the trend continued with the lone large plantation, WSTEC, supplying only 14% of the copra, 8% of the cocoa, and an incidental amount of bananas.

Export income is derived almost entirely from copra and cocoa, with taro and timber making up most of the balance. Banana exports, which were a major item in the 1950's and 1960's, are now insignificant - largely due to disease, and the 1966 hurricane which resulted in a drop of 80% in the volume of bananas exported between 1965 and 1966.

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1 'Western Samoa', Chapter 17 in ADB South Pacific Agricultural Survey 1979, p 369.


3 Calculated from figures in the Quarterly Statistical Bulletin, pp 27-29.

4 Second Five Year Development Plan, Statistical Appendix, Table III.
This dependence on two items, which are both subject to severe fluctuations in domestic output, as well as in world prices (see Appendix A), is obviously a major problem for Western Samoa. For instance, if the market for these raw materials, or for their products, should suddenly, or even gradually diminish or disappear, the Samoan economy would be very seriously undermined. The fact that they are tree crops - i.e. grown on a relatively long-term basis - aggravates the difficulty of switching to different crops.

The same position applies to the pricing of this produce. High prices one year does not mean that the output can be significantly raised the following year, in order to capitalise on the good returns. And even if this were possible, there is absolutely no guarantee that the high prices would be retained from one year to the next (see Appendix A).

Similarly, Western Samoa also has no control over the prices it pays for its imports - these are determined by the larger, industrialised countries and/or world markets (in which small, South Pacific countries play no part). Imports consist largely of food (28% by value in 1977), manufactured goods (21%), and machinery (23%).¹ The expenditure on the last item, which includes electrical and transport equipment, has risen dramatically over the last two years, as has the amount spent on petroleum products. However, the latter is due more to the greatly increased cost of the commodity, than to a greater volume imported.

The value of food imports too, has risen sharply, expanding at almost 20% annually over the last decade.\(^1\) Much of this is due to the reduced domestic contribution (as opposed to substantially increased consumption) over recent years. With the expansion of the wage sector, generated by capital inflow and foreign aid, and the inflow of cash remittances from overseas Samoan migrants,\(^2\) the incentives, or necessity, for the individual to produce his own (subsistence) food have been substantially reduced.

Apart from the detrimental effect which these food imports have on the trade balance, this high dependency on foreign sources of food has led to a decline in the health and nutritional standards of the population. The ADB report argues that "many of the newer (Western) foods are nutritionally inferior to the more traditional foods,"\(^3\) and because the former replace, rather than supplement, the latter, the general health of Samoans, as of many Pacific Islanders, is deteriorating.

The drastic food shortage in Western Samoa in 1972\(^4\) epitomises the consequences of a poor country relying too heavily on food imports. Early in the year the worsening balance of payments situation led the government to impose import quotas, which resulted in a scarcity of imported food.

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\(^{1}\) ADB, South Pacific Agricultural Survey 1979, p 371.


\(^{3}\) ADB, p 37.

\(^{4}\) Ibid, p. 41.
The low level of domestic food production was further reduced by a failure in the taro crop due to a dry spell. As a result of the subsequent food shortages the number of recorded births dropped by 30% and recorded deaths increased by 43%.¹

Some of the blame for the low level of agricultural production in Western Samoa must be directly attributable to the government itself. During the 1960s and early 70s the concentration of government expenditure on health, education and public works² meant that agricultural and general development programmes were largely non-existent. It was not until very recently that these two areas gained some priority in government planning. In 1979 expenditure on development was 140% greater than in 1976, while the proportion of that money spent on agricultural and rural projects increased from 17 to 39 percent.³

Obviously it is still too soon to expect any significant increases in agricultural production - either for export or for domestic consumption. But these improvements must come soon if Samoa is to establish a viable economy. If the people are to be actively employed, or even fed, the ambitious development plans put forward over the last decade or so must, in part anyway, be fulfilled.

¹ ADB, p 41.
² Second Five Year Development Plan, Statistical Appendix, Table XII, and Annual Statistical Abstract, 1977, p 78.
³ ADB, p 370.
However, as already shown, Western Samoa does face considerable problems in achieving its aims. The First Five Year Economic Development Programme pointed out the following factors impeding economic growth and development:  

1) geographic isolation  
2) inefficient agriculture  
3) land control  
4) lack of capital  
5) lack of labour and entrepreneurial skills  
6) over-emphasis on government maintenance expenditure  
7) lack of diversification  
8) limited internal markets, and  
9) rapidly increasing population.

From this list, one can see that Western Samoa shares the problems and limitations common to most small and/or developing states, as outlined in the discussion in the preceding chapter. Yet the factor of its geographic isolation, obvious from Figure 1, makes its range of options significantly narrower than those of the other states. For instance, its ability to become a tourist resort, or tax haven, is hampered by the lack of a nearby, relatively wealthy population, while the hundreds of square kilometres of sea around it make economic integration, or even interaction, with neighbouring states very difficult.

The possibility of establishing a modern, industrial economy in Western Samoa is therefore very limited, and the Second Five Year Development Plan (1971-75) implicitly

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1 Second Five Year Development Plan, p 3, footnote.
recognized this by strongly emphasizing the need for higher productivity and greater diversification in the agricultural sector. By 1974-75, when the current development plan was written, the pressing need for an increase in local employment opportunities and the worsening balance of payments situation, led the planners to actively promote the adoption of projects processing crops for export or providing import substitutes.¹

However, a significant increase in the output of copra, cocoa, and other crops is not so easily achieved. The ADB survey concluded that "plantation mode management is the key to agricultural growth in Western Samoa"² yet, as discussed earlier, the climatic and geomorphic features of the country, not to mention the land tenure system, severely limit the expansion of large-scale production into the highland interior. It may be that part of the solution anyway, lies in an increase in agricultural production for local consumption - thereby saving valuable foreign exchange, creating more job opportunities for the rural inhabitants, and guaranteeing adequate food supplies.³

The establishment of processing and manufacturing industries also faces considerable problems. Apart from the difficulties associated with economies of scale and isolation from markets, the lack of domestic capital, technology, and

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¹ Haas, p 108.
² ADB, p 374.
³ One of the aims of the current plan emphasizes this: "over the next 15 to 20 years, Western Samoa aims to achieve self-sufficiency in meat, milk and egg production and in the fish catch." Haas, p 108.
modern equipment makes heavy dependence on foreign countries and companies inevitable. And even though the industries may earn or save foreign exchange, the effects of this can be negated to a large extent by the importation of raw materials, machinery and other equipment, and by profit repatriation and a degree of salary repatriation.

However, the creation of employment opportunities has a very high priority in the Western Samoan government's policies, and is probably the major reason for its active promotion and encouragement of foreign investment.¹ The number employed in "agriculture, forestry and fisheries" fell by almost 3,000 (10.5%) between 1966 and 1976,² and combined with the rapidly increasing population numbers, has resulted in a very high demand for urban-based and 'modern' employment. It is not that there is not enough work available in the primary industries, rather that the attractions, real or imagined, of wage labour and urban living, in Apia or overseas, are too strong for most young Samoans to resist.

This issue of employment and migration overseas leads us into another very important aspect of the characteristics of small states - that of their political and diplomatic relations with other countries. The specific bilateral relationship between Western Samoa and New Zealand will be examined in later chapters, so only the general, and more international aspects of the smaller country's foreign

¹ For an outline of incentives, e.g. tax holidays, exemption from import and export duty, free repatriation of profits, see Haas, pp 110-111.
² R. Gerard Ward and Epili Hau'ofa, p 33.
policy will be discussed here.

Foreign Policy

It is obvious from the outline of Western Samoa's economic position given above that the country is heavily dependent on foreign interests for its economic survival - and this dependency is especially evident when one examines the degree of influence Samoa has over its major trading partners. The sheer 'size' of these countries, especially in relation to Western Samoa, alone should suggest the insignificance of the small Pacific nation when the terms of trade are laid down.

While New Zealand, the major trading partner, is not especially large on an international scale, some of the other countries are: the United States, West Germany, and Japan, with the Netherlands and Australia a bit lower in the hierarchy. And it is easy to see that the few thousand dollars worth of goods which Western Samoa imports from, or exports to, these countries would be barely noticeable in their trading statistics.

One could ask then, why Western Samoa does not trade with its small, South Pacific neighbours, where it would have some chance of achieving at least equal status in both trade and political negotiations? Apart from the historical economic ties which each of these small nations has individually developed with the larger powers,¹ the similarity of the goods produced by the islands themselves

¹ See the next chapter for an account of the development of Western Samoa's historical ties.
has meant that inter-regional trade has been severely limited.¹

However, as these small states have only recently discovered, they do have many common interests and problems, and therefore can all greatly benefit from increased interaction. By acting in unison the disadvantage of their extremely small size can be somewhat alleviated in their dealings with the larger countries of the world. Also, because of their relatively similar sizes, these states can achieve a more equal partnership with each other, than they ever could with larger countries.

Rather ironically, the basis of regionalism in the South Pacific was laid by the colonial powers dominant there - in 1947 the United States, France, the Netherlands, the United Kingdom, Australia and New Zealand² established the South Pacific Commission in order to develop some method of formal communication among their respective administrations. The indigenous inhabitants of the islands were included only at the triennial South Pacific Conference (after 1967 held annually), or after they had achieved independence. Western Samoa, independent since January 1962, was the first island member, being admitted in October 1965.

¹ In 1977 and 1978 the only trade Western Samoa had with its neighbours (apart from N.Z. and Australia) was: (average) 5% of its imports from Fiji, and 4% of its exports to American Samoa. Quarterly Statistical Bulletin 1st Quarter 1978, 1st Quarter 1979.

By that year however, the spirit of independence and nationalism was rising rapidly among the small colonial states and they began to actively revolt against the subservient role assigned to them. As Ratu Sir Kamisese Mara, a leading island figure at this time, said in later years:

'Paternalism was the keynote of the creation of the South Pacific Commission.... (It) went on benignly and benevolently, .... treating the South Pacific people as though they were children who were not capable of handling their own affairs."

The first manifestation of this new spirit was the formation of the Pacific Island Producers Association (PIPA) by Western Samoa, Fiji, Tonga and the Cook Islands in late 1965. It was instituted to enable these island governments to provide a united front to the monopoly New Zealand banana market, which had previously played one country off against the other in order to lower the prices as much as possible. By working together the smaller countries were able to gain a significant degree of power in their relationship with New Zealand - even though the Western Samoans had to sacrifice some of their profits in order to "reach an overall beneficial price for all." 2

In 1971, soon after Fiji gained its independence, its new Prime Minister, Ratu Mara, initiated a move to form a new regional organisation - the South Pacific Forum.

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It included the members of PIPA, Australia and New Zealand (as members of the South Pacific community) and would admit the other smaller territories as they gained independence. Two years later the Forum established the South Pacific Bureau for Economic Cooperation (SPEC) as the main agency for "regional cooperative planning and implementation."¹

In this way the small states of the South Pacific have been able to reduce, to a certain extent, some of the disadvantages their size characteristically gives them. For instance, the regionally-funded university (at Suva, Fiji) and Forum Shipping Line (based at Apia) are evidence of large-scale activities which could not be economically undertaken by an single island country. And, in the words of Ratu Mara, the work of the Forum and SPEC "in co-ordinating the negotiations of Fiji, Samoa, and Tonga in their approach for association with the European Economic Community has been invaluable."²

Therefore, the advantage to Western Samoa of a close association with its neighbours is evident in both the economic and political spheres. However, as is likely with most newly-independent countries, feelings of national pride and identity play a significant role in the determination of foreign policy throughout the area, and consequently somewhat hinder the development of closer ties between the island countries. The insistence of many of the countries, on their own nationally-named airlines for instance, is a prime

² Ratu Sir Kamisese Mara, p 28.
example of economic realities being subordinated to patriotic fervour.¹ Regional co-operation therefore, while theoretically providing the "political (and economic) solution to smallness",² is a solution not so easily reached.

There have also been some suggestions of closer ties at a reduced scale. For instance, the possibility of a reunification with American Samoa has recently been advocated as a possible answer to some of Western Samoa's problems.³

"The people of Tutuila (American Samoa's main island) and Upolu speak the same language, they share the same culture, they are often related and it takes only fifteen minutes to fly from one island to the other."⁴

However, as the author⁵ of the above statement is quick to point out, these similarities are basically irrelevant in the light of the economic differences between the two countries. The American Samoans, with a GNP per capita income of $US5380, are unlikely to give up their annual $US45 million grant (1977) from the United States for the dubious advantages of 'independence' through

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¹ Ratu Sir Kamisese Mara, pp 28-29; and Roy, p 11.

² Benedict, pp 5, 10.

³ It was mentioned in passing by Tupuola Efi (New Zealand Herald, 30th Aug. 1978) as a possibility for the future. See also R.G. Ward, "The Consequences of Smallness in Polynesia", in Benedict (ed). p 95.


⁵ Mike Field was editor of Savali, the official government newspaper, for two years, until he resigned in June 1979, because he was banned from printing a report of the court hearings related to political bribery charges. The Press, 5th June 1979; Interview 16th January 1980.
political union with Western Samoa (GNP per capita $US350). They would rather retain their colonial ties with a large, powerful, and generous country, than join forces with their 'independent', but small, poor, and insignificant, neighbour.

Western Samoa, on the other hand, is keen to develop closer links with countries other than its former Administering Authority. While not wanting to break ties with New Zealand, the new Western Samoan leaders, especially the Prime Minister, Tupuola Efi, are very conscious of the need to widen their international contacts in both the economic and political arenas. They are determined to establish a "truly independent" identity for their country, as Tupuola has stressed:

"...some countries look on Samoa as a ward of New Zealand... It is important that we try to demolish this image lest it compromises the position of our permanent representative (to the United Nations)........ (We must) underline the point that Samoa is indeed independent and will make its decisions according to its own likes."  

However, Western Samoa is also very much aware of the advantages it can derive from membership of larger, international bodies. In August 1970 for instance, Western Samoa formally became a member of the British Commonwealth. It had actually been treated as such since its independence in January 1962, but as the Prime Minister at the time


2 See e.g. New Zealand Herald, 3rd February 1977, and 14th October 1978.

(Tupua Tamasese Lealofi) said, "...it is not fitting that we should continue to enjoy the benefits without committing ourselves to full membership."¹

At the end of 1971 Western Samoa became the 120th member of the International Monetary Fund (IMF) with a quota of $2 million - bringing the grand total for the IMF to $28,807 million!² During 1973 and 1974 the country became a member of the World Bank and joined the International Development Association and the International Finance Corporation.³

Formal relations with the People's Republic of China were established in November 1975.⁴ The Chinese had been present in Samoan society since the beginning of the century, when the German colonial government had brought them in as indentured labourers, and so the early development of diplomatic relations between the two countries was not as anomalous as it might first appear. During the following year an agreement on economic and technical co-operation was signed, and the Chinese became the only country apart from New Zealand to have a foreign mission in Apia.⁵

In 1976 also, soon after the elections, the new Prime Minister, Tupuola Efi, established diplomatic relations at the ambassadorial level with the Soviet

⁵ Christchurch Star, 1st April 1977.
Union.¹ In the following months, proposals for joint fishing ventures were aired, but the mere suggestion of Russian presence in any of the small South Pacific nations brought hostile reactions from many sides. One member of the Western Samoan Parliament, Mr Ulugia Nufoaiga, went so far as to say that if the Russians were allowed into the country, the first thing they would do would be to "cut off all the ministers' heads."² Other members were not quite so pessimistic (or optimistic), but many felt that "dealing with the Russians was a risky business."³

However, the Prime Minister was confident that if his country did accept aid from the Soviet Union, and/or established a joint fishing venture with it, there was no danger of a Russian takeover of Western Samoa. In the first place the Communists were anti-God, and in a strongly Christian society such a doctrine would find few adherents; and secondly, he said, because, "as a people we are probably a bit more nationalistic than others", no other country would be accepted as a 'protector' or 'motherland'.⁴

Some observers felt that the Samoans were considering the Soviet Union's offers only in order to put pressure on New Zealand, Australia and other Western powers to increase their aid commitments.⁵ And in fact, Tupuola Efi warned NZ

¹ Keesings Contemporary Archives, July 30th 1976. p 27868.
² New Zealand Herald, 7th August 1976.
³ Ibid.
⁴ New Zealand Herald, 3rd February 1977.
⁵ Christchurch Star, 3rd September 1976.
that "the consequences of not providing assistance would be to force Samoa to turn to the Russians for aid."¹ He was no doubt very conscious of the fact that similar Soviet overtures to Tonga had resulted in the NZ government almost immediately doubling its aid to that Pacific country.²

Therefore it can be seen that even though Western Samoa is a very small country it does have some degree of strength and bargaining power in relation to other, larger countries under certain circumstances. While it may not have great strategic, economic or political importance in itself, it is a 'non-aligned' country of the South Pacific and as such, it will not be allowed by one great power to fall under the domination of another.³

In accordance with his policies of extending his country's international contacts, Tupuola Efi has looked much further than just China and Russia (apart from other Pacific countries) for new economic links and sources of aid. The traditional trading partners - West Germany, Japan, the United States and the Netherlands - have been encouraged to establish joint ventures in Western Samoa, and they have all offered various forms of aid in recent years. The Australians also, have established an embassy in Apia, and the United Nations Development Programme (UNDP) has an office there.⁴

¹ New Zealand Herald, 7th August 1976.
³ Roy, p 2.
⁴ Interview with Western Samoa's Deputy High Commissioner to N.Z., Mr T.F. Toleafoa. 17th January 1980.
However, the most significant event in Western Samoa's international relations since Tupuola's leadership began, was the admission of that country to the United Nations. On December 15th, 1976, "Samoa, as it wishes simply to be known in ordinary United Nations usage,"\(^1\) became the one-hundred and forty-seventh member of the world's largest and most influential inter-governmental organisation. And with the establishment of the first Western Samoan diplomatic mission outside New Zealand the opportunities for discussion and interaction with other nations increased dramatically.

In his speech to the United Nations General Assembly in November 1977, Tupuola Efi spoke out against colonialism and neo-colonialism in the South Pacific and elsewhere.\(^2\) He said that the rule of a minority over a majority could not be tolerated, and for this reason his country regarded apartheid in South Africa as abhorrent. And he stressed that when Samoa talked about colonialism it was not just rhetoric, because opposition to colonialism was fundamental to his country's own experience. "Samoa achieved independence because the Samoan people fought for it,"\(^3\) he said, and recommended that the people of Zimbabwe and Namibia did the same.

It is a continuation of this fight against colonialism and neo-colonialism - the dominance of one country by

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\(^2\) Socialist Action, 18th November 1977.

\(^3\) Ibid.
another - that has inspired Tupuola Efi and his government to actively seek new and varied international contacts. By accepting aid - in the form of grants, technical assistance, trade preferences, or whatever - from many different countries and organizations,¹ the Western Samoans have managed to avoid building a heavy aid dependency on any one country.

Yet, as will be discussed in a later chapter, the Western Samoan economy is still relatively dependent on its former Administering Authority, New Zealand, both for trading links (NZ has consistently supplied about 30% of Western Samoa's imports, and taken about 35% of its exports) and for employment opportunities for its rapidly expanding population. Initially the jobs were supplied only in New Zealand, but more recently the emphasis has shifted to providing jobs in Samoa itself, through the establishment of joint-venture industries there.

Western Samoa - A 'Typical' Small Developing State?

Firstly, however, an attempt will be made to develop some sort of assessment of Western Samoa itself - as an example of a small developing nation. By the criteria given in the first chapter, it would appear that our country fits the model very well. It has limited resources, a rapidly increasing population, and an economy highly dependent on foreign trade, investment and aid. Its geographical

¹ For example, 780,625 European Units of Accounts under the EEC Stabilization of Export Earnings Scheme; $US1.3 million for a wood-fuel electricity generation scheme from UNDP, in addition to their allocation of $US5.5 million over the next five years. Savali, June 29th 1979.
isolation increases the significance of these factors somewhat, and it does limit the range of options open to Western Samoa in comparison with those available to other small countries.

In its international relations also, Western Samoa conforms very closely to the expected pattern. It is highly conscious of economic matters, actively wooing foreign investment and aid, although it is more careful than some\(^1\) to select a wider range of sources in order to retain a greater degree of independence from them. This fiercely nationalistic attitude is evident throughout all of Western Samoa's dealings with other, usually larger, countries and reflects the people's profound belief in the superiority of *fa'a Samoa*, the Samoan way.\(^2\)

As one would expect of a small state, Western Samoa devotes a significant proportion of its foreign policy resources to regional matters, and to its diplomatic relations with one larger country - New Zealand. It is also a member of the British Commonwealth and the United Nations - large international bodies where the more 'insignificant' countries can support each other's proposals and have their opinions heard.

Taking all of the above into consideration then, it would seem that Western Samoa is a 'typical' small develop-

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\(^2\) See *New Zealand Herald*, 3rd February 1977. This point was also stressed by Mike Field (who is married to a Samoan) in the personal interview.
ing state. It has most of the characteristics which theorists expect it to have, and does not deviate significantly from the model. However, final judgement must be reserved until after the relationship between Western Samoa (as a small state) and New Zealand (as a large state) has been studied - in history first, and then on the contemporary scene.
CHAPTER THREE

THE HISTORICAL RELATIONSHIP

A knowledge of the historical relationship between Western Samoa and New Zealand is crucial to an understanding of the current interaction and feelings between the two countries. The depth of hatred and bitterness which was at one time expressed against New Zealand by its 'colonial' population cannot be completely wiped out and forgotten in just a few decades. The feelings of guilt, and subsequent obligation, which have coloured New Zealand's attitude to the smaller country, contribute greatly to the relevance of Morrison and Suhrke's partial linkage paradigm to the contemporary relationship.

Other incidents and factors of the pre-Independence period are important as illustrations of actual manifestations of some of the theories outlined in the first chapter. Freymond's contention for example, that strong feelings of nationalism, expressed in the form of active resistance, can greatly detract from the large power's influence over the smaller, is exemplified by the nationalist movement, the Mau, particularly in the nineteen twenties and thirties. Although New Zealand was never especially insistent on retaining its power in Western Samoa, the Mau certainly helped it to realise that the 'political price' for remaining - in terms of its reputation as a democratic society for example - was too high to pay.
The role of the League of Nations and the United Nations respectively, in monitoring New Zealand's administration of the territory of Western Samoa, is important in relation to the contention that small states (even if not formally constituted as independent entities) prefer to work through large intergovernmental bodies than through a one-to-one situation with a larger state. The petitions which were presented to the two above-mentioned organisations by the people of Western Samoa are illustrative of the people's scepticism of "the effectiveness of New Zealand's good intentions when not prodded by an international body."¹

German Samoa

In 1899 Samoa, or Navigator Islands as it was then known, was divided up, by Britain, Germany and the United States, into German Samoa (consisting basically of two main islands - Upolu and Savai'i) and American Samoa (made up of Tutuila Island - including Pago Pago Harbour - and the isolated Manu'a group).² This division has remained unaltered, and to a large extent, unquestioned, in the eighty years since its inception, and the different influences of New Zealand, the administering authority, and the United States, the colonial power, in the respective


countries are clearly distinguishable today.¹

The fourteen-year rule of Western Samoa by the German administration appears to have been a period of prosperity and harmony.² Plantations producing rubber and cocoa were established and the natives also, were encouraged to increase their output. Road-building and other public works were undertaken, and plans for the overall economic development of the country were formulated. The administrative policies too, appeared to be generally favourable despite some grumblings by the European settlers (mainly the British, French and Americans), concerning over-government of themselves, and excessive leniency towards the natives.³

The native Samoans themselves were largely unaffected by the alien administration. The day-to-day conduct and decisions at the village level remained in the hands of the village fono - the council of matai. Only the few matai who were chosen, and paid, by the Governor to 'represent' their people, were even nominally involved in policy formation at the national level. There appeared to be little discontent among the natives with their alien rulers.

However, some observers believe that the German mechanisms for Samoan administration, despite incorporating much of the structure of the existing native institutions, were successful only because of the short time period in

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¹ The Press, 15th September 1978.
² Davidson, pp 76-78.
which they operated. Keesing, for instance, believes that the Germans passed on to the New Zealand occupying forces not only a "full working system of dealing with native affairs", but also:

"a heritage of frustrated ambition, undercurrents of intrigue, a considerable dislocation of political and ceremonial life, and mellowing memories of the good old days when... life was dictated by strength of arm and traditional preference rather than by the will of an alien invader."¹

Therefore, while no physical resistance was offered to the New Zealand forces which moved in and occupied German Samoa on August 29th, 1914,² the beginnings of a nationalist movement, which was to plague the civil administration for forty years, lay just below the surface. As Boyd put it: "The Samoan political situation... resembled a dormant but not extinct volcano liable to erupt at the slightest pretext."³

New Zealand Military Administration

Even within the short period of military control from 1914 to 1920, the New Zealanders found little favour with either the indigenous or European populations.


² The German officials are rumoured to have been away pig-shooting. David C. Pitt and Cluny Macpherson, Emerging Pluralism: The Samoan Community in New Zealand. (Auckland: Longman Paul Ltd.) 1974. p 3.

The repatriation of the majority of Chinese labourers (brought in by the Germans to work on the plantations) created acute difficulties for most planters, while the expropriation and liquidation of German-owned business firms inconvenienced many people besides the former owners.\(^1\) There was a general feeling of disruption. In the words of the first official report by the New Zealand administration in Western Samoa, "Everyone suffered from a feeling of insecurity of tenure."\(^2\)

However, it was the influenza epidemic of 1918, brought into Western Samoa by the passengers of a ship from Auckland, New Zealand, which produced the first great setback to Samoan confidence in New Zealand rule. An estimated 20% of the total population died in the epidemic,\(^3\) and, to make it worse, many of the older chiefs and orators, and most of the trained native officials of the German period\(^4\) were included in the 7,542 dead. There were many who blamed the officers of the military administration for the tragedy, and a Royal Commission appointed by the New government in 1919 upheld these claims; it judged the epidemic to be a result of lack of adequate care on the part of the authorities, especially with regard to the

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1 Davidson, p 93.

2 "Mandated Territory of Western Samoa (First Report of the Government of the Dominion of New Zealand on the Administration of) for the period from 1st May 1920 to 31st March 1921", New Zealand House of Representatives Appendix to the Journals A-4, 1922, p 2 (Hereafter referred to as Report, AJHR, A-4, and relevant year).


4 Keesing, pp 96-97.
quarantining of the ship.¹

Therefore the news, in 1920, that New Zealand was to be granted the League of Nations Mandate for the territory (it had been deemed too small and underdeveloped to exist alone) was not greeted with great enthusiasm by the Samoan people. Either Britain or the United States, the latter involving a reunion with American Samoa, was preferred as the Mandatory power by various groups within the country. As to New Zealand,

"she had become too closely identified in Samoan minds with the petty tyrannies of wartime such as internment, deportation, censorship, curfews and prohibition of trade with the enemy. Furthermore, the epidemic had left a legacy of deep-seated and bitter resentment over what was regarded as New Zealand mismanagement and carelessness."²

In New Zealand also, there was some apprehension concerning the acceptance of the mandate of Western Samoa. Some feared that the territory would become a burden to the New Zealand taxpayer, while others were more concerned with the ethics of Chinese indentured labour.³ However, once the decision was made, Prime Minister Massey wanted as much control as possible over Samoa and would accept nothing less than a C class mandate.⁴ This meant that the fullest powers of government short of direct annexation were vested in the mandatory (New Zealand).

² Boyd, p 123.
⁴ Boyd, p 124.
The Years of Mandate 1920-1945

Under the terms of the Mandate\(^1\) New Zealand was committed to promoting "the material and moral well-being and the social progress of the inhabitants of the Territory", and to ensuring freedom of conscience and worship, subject to the "maintenance of public order and public morals." It undertook to prohibit forced labour, the traffic in arms and ammunition, the supply of alcohol to the Natives, and the military training of the Natives "otherwise than for purposes of internal police and the local defence of the Territory". New Zealand was given full powers of administration and legislation over Samoa, but was obliged to make an annual report to the Council of the League of Nations "indicating the measures taken to carry out the obligations assumed under the Mandate."

Right from the beginning, there was dissatisfaction with, and resentment of, the New Zealand Administration. Both the Fono of Faipule, the leaders of the native Samoans, and the Citizens Committee, representing the European community, requested many changes to the Samoa Act of 1921 - the Act which set up the constitution and form of New Zealand administration in Samoa. But, despite the fact that the two groups were each asking for quite different modifications, no significant concessions were made to either.\(^2\)

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\(^1\) "League of Nations - Mandate for German Samoa", New Zealand Official Yearbook, 1921-22, pp 584-585. (See Appendix B for full text.)

\(^2\) Davidson, pp 100-101.
A petition presented to the New Zealand Parliament in May 1927 outlined the most important grievances which had built up in the first years of that country's administration of Samoa. These included: the Administration's ignorance or rejection of native customs, especially those related to the selection of Faipules; the dictatorship of the Administrator, including his banishment orders; the total prohibition of alcohol (when the Mandate had demanded only the Natives be so restricted); the interference of the Administration in the copra trade; and the extravagance of the administration in the expenditure of the public revenues of the Territory.

The New Zealand Government set up a Royal Commission to investigate these claims and, after visiting Samoa, it presented its lengthy report in late 1927. In brief, it concluded that the native Samoans were generally happy with the New Zealand administration, and had shown dissatisfaction and dissent only at the urging of various members of the European community—Mr O.F. Nelson in particular. This action by the Europeans was, in turn, promoted by their great dislike of the liquor prohibition laws, and by the threat which the Administration posed to their lucrative, if somewhat deceitful, copra trade.

The New Zealand Administration vigorously defended its position in both these instances. It argued that, as mandatory, it had a responsibility to deny alcohol to the

1 "Report of the Royal Commission into the Administration of Western Samoa", Appendix 1, Petition. AJHR, A-4B, 1928.
2 Ibid.
native population. And, as it wished to avoid any element of racial discrimination, total prohibition was the only answer. As far as the copra trade was concerned, the Administration believed that the native producers were being exploited by the European or part-Samoan traders (e.g. O.F. Nelson). These traders met and decided on a common price to be paid for all copra, regardless of quality, and, as the producers had no other outlet for their copra, they were forced to accept the low prices offered. The Administration was merely offering the Samoans the opportunity to market their copra through an agency of the New Zealand Reparation Estates,¹ and so to receive a fairer price for their produce.

Keesing sums up what he sees as New Zealand's egalitarian position:

"The New Zealand government stood firmly for a policy that would place the native and his interests first, and to the extent to which the ideas of the non-native or part-native residents were thought to conflict with what appeared, or were believed, to be those interests and the welfare of Samoa generally, they were ruled out."²

However, the natives did not see the Administration's actions in this light, and, in contrast to the Commission's findings, they obviously believed that it was precisely these 'part-native residents' who best represented the interests of all Samoans. This is evidenced by the widespread support enjoyed by the Mau, the nationalist movement led by O.F. Nelson. In response to its orders, government

¹ The New Zealand Reparation Estates were plantations taken over by New Zealand from former German owners as war reparations after the First World War.

² Keesing, p 98.
councils were boycotted, direct taxes remained unpaid, attendance at government schools diminished, and the courts and police were, as far as possible, ignored.\(^1\) The control of the larger power over the smaller was seriously eroded, as Freymond predicts.

Attempts by the Administration to stifle this movement and its demands for self-government, served only to exemplify the repressive and authoritarian nature of the New Zealanders in the eyes of the Samoans. And the deportation of Nelson, likewise had the opposite effect to that intended; he had been somewhat of a restraining influence on the Mau, and after his departure in June 1928 the level of disorder and violence rose rather than fell.\(^2\)

This atmosphere of tension and suspicion between the Samoans and the New Zealand Administration culminated - probably inevitably - on December 28th 1929 (afterwards known as Black Saturday), in violent confrontation and bloodshed. Mau supporters, including men wanted by the police, paraded through the streets of Apia to welcome the return, after two years in exile, of one of their leading European supporters, Mr A.G. Smyth. However, the peaceful demonstration was disrupted when the police, attempting to arrest one of the wanted men, met with resistance and opened fire. Eleven Samoans, including Tupua Tamaese Lealofi, the current leader of the Mau, and one European policeman, died as a result of the shooting.\(^3\)

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\(^2\) Davidson, Samoa Mo Samoa, p 130.

\(^3\) Ibid, p 138.
To make matters worse, the Administration and
the New Zealand Government placed the full blame for the
incident on the members of the Mau themselves, and
declared the movement to be a 'seditious organization'.
A vigorous campaign to wipe out the Mau was undertaken,
with villages being raided and food supplies cut off in an
attempt to capture the movement's followers. This resulted
in a much deeper, and more widespread hatred of the foreign
administration. And it was the hunt, as much as the
shooting itself, which

"added a new note of bitterness to the attitude
of the Mau towards New Zealand rule and finally
confirmed its dedication to the object of full
self-government."  

The accession to power of the Labour Party in New
Zealand in 1935 proved to be somewhat of a turning point in
the relationship between the Samoan and New Zealand peoples.
The new Prime Minister, Michael Joseph Savage, was quick to
announce his government's concern about the situation in
Samoa, and in June 1936, he sent his Minister of Lands,
Frank Langstone, and several others, on a 'goodwill mission'
to that country. During their month's stay the members of
the New Zealand delegation discussed various proposals for
reform with all sections of the Samoan community. Also,
they announced the repeal of the Samoan Offenders Ordinance,

1 "Coroner's Finding in the Inquest Respecting the
Fatalities in Western Samoa (28th December, 1929)". AJHR,
A-4B, 1930. pp 1-16.
2 N.A. Rowe, Samoa Under the Sailing Gods. London:
Putnam. 1930. p 279.
3 Davidson, Samoa Mo Samoa, p 138.
which authorised banishment and the deprivation of titles, and of the dormant ordinances providing for the levying of personal and medical tax.¹

While these reforms, together with a promise to repeal immediately the proclamation declaring the Mau a seditious organization, did not significantly advance the Samoans on the road to self-government, they did win acceptance "both as a sign of New Zealand goodwill and as a remedy for the most important of present grievances."² And an atmosphere of co-operation was gradually built up between the alien administration of the larger country and the native people of the smaller.

However this did not mean that the Samoans had abandoned their plans for self-government. On the contrary, the Mau's slogan of Samoa Mo Samoa, Samoa for the Samoans, had become an almost universally-accepted goal by the end of the Second World War. Not only had the war itself (with the arrival on Samoa of 10,000 American troops and the accompanying prosperity)³ led to a greater discontent with the New Zealand administration, but also, the passing of the years had allowed for a new generation of Samoan leaders to emerge.

These younger men came into the political arena much better equipped to deal with the Administration than their predecessors had been.⁴ It was not that they possessed a higher degree of formal education, but rather, that they

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¹ Ibid, pp 148-149.
² Ibid, p 149.
³ Some 2,600 Samoans were placed on their payroll. Boyd, p 185.
⁴ Boyd, p 185; Davidson, Samoa Mo Samoa, p 159.
were more accustomed to dealing with the European administrators. Some had gained this familiarity in the Mau, while others had learnt through their experience in commerce or agriculture. For Samoans such as these, the Western world was no mystery, and the relationship which existed between the Administration and these leaders from the 1940's onwards, reflected the latter's newfound confidence.

In November 1946 the demands of these new nationalist leaders were clearly outlined in a petition\(^1\) to the Administrator. While appreciating "the progress in social services and the sympathetic treatment accorded to...(them) during the past ten years by the Labour Government", the petition said, the Samoan people were firmly united in the wish that "Samoa be granted self-government." However, they did not want to lose all contact with their former administrators, and hoped that New Zealand would see fit "to act as Protector and Advisor to Samoa in the same capacity as England...(was) to Tonga."\(^2\)

This petition was instigated largely as a response to the New Zealand government's proposed Trusteeship Agreement for Western Samoa. The Samoans, not satisfied with the gradual transition to self-government outlined in this proposal, drew up the petition to express their dissatisfaction with the delay to their long-awaited

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\(^1\) This was about the ninth petition which the Samoans had drawn up since New Zealand's takeover of the administration; six of these were asking for self-government. See Boyd index, p 357.

goal. However, a United Nations mission sent to Samoa to investigate the petition, endorsed the New Zealand government's stand and announced its approval of the plans outlined by Walter Nash on 27th August 1947.

These plans, for the political advancement of Western Samoa, contained three major objectives:

1) to establish Samoan custom and tradition as one of the foundations of the future political structure;
2) to confer a substantial measure of political responsibility upon representatives of the Samoan people immediately; and
3) to recognize and accept Samoan aspirations to complete self-government.

So, while the Samoans were forced to accept the rejection of their petition, they were granted significant concessions towards their major goal of self-government. The changes become evident when the terms of the Trusteeship Agreement, which came into force in 1947, are compared to

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2 Not all of the residents, however, objected to a period of transition before full self-government was granted. The European Citizens Committee, in their submission to the United Nations Mission, requested that at least 10 years elapse before self-government be granted, in order to allow time for the full training of local people to fill high-level official positions. See Ibid, Annex VI, p 114.

3 Ibid, "Annex VIII - Statement Made in the House of Representatives of New Zealand on 27 August, 1947, by Acting Prime Minister, the Right Hon. W. Nash, on Political Advancement in Western Samoa."

those of the Mandate. These changes were inherent in the new system of trusteeship as devised by the United Nations, rather than in the particular agreement signed by New Zealand.

The Years of Trusteeship 1946-1961

The first difference (exemplified in the above plans) is the greater stress laid upon the obligation of the administering authority "to promote the political development of the inhabitants of the trust territory."¹

The second significant difference was dictated by the requirements of world security and peace:

"To this end the administering authority shall be entitled (1) to establish naval, military and air bases (and)... (2) to station and employ armed forces in the territory."²

The provisions of the Trusteeship Agreement also changed the method of supervision of the territory - petitions by the residents could now be presented directly to the United Nations Trusteeship Council - "that is to say, petitions need no longer be submitted through the Mandatory power",³ and secondly, the Council itself had the right of inspection through periodic visits to the trust territory.

The implementation of measures directed towards the attainment of self-government greatly reduced the feeling of alienation between the government and 'the governed'.


² Ibid. (See Appendix C for full text).

³ Ibid, Explanatory Note.
With the institution of the new Legislative Assembly, with an absolute Samoan majority, and power to legislate on most issues, the immediate demands of the Samoan leaders were largely satisfied. And although the High Commissioner (formerly the Administrator) retained the power of veto, in future "... the government of Western Samoa would be able to carry on effectively only so long as it remained in sympathetic touch with the people's representatives."¹

Over the next 14 years the Samoan people gradually gained complete control over their own government in all but the strictly formal sense. The Legislative Assembly established standing committees for finance, education, health, public works and broadcasting, and each of these worked in close association with the head of the relevant government department.

There have however, been several criticisms of the New Zealand public service in its operations in Western Samoa:² the generally low quality of civil servants working there, the lack of co-ordination between the administrations in Apia and Wellington, and the inability of many New Zealanders to admit the validity of a culture different from their own,³ are some of the more important ones. But, the aspect of New Zealand's administration which probably contributed most to the misunderstandings and ill-feeling between the two peoples, was the policy of continued

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¹ Davidson, Samoa Mo Samoa, p 187.
² Davidson, "The Transition to Independence...", p 25.
³ For example, no Samoan language was taught in the schools, the girls wore gym-frocks, and the school holidays were December-February (the rainy season). Ibid, p 142.
rotation of officers seconded from New Zealand.

"(While this had) certain advantages in stimulating energy and in breaking up the formation of an entrenched class of colonial administrators it ... (meant) that there never ... (was) a large enough group of trained administrators with an adequate knowledge of Samoan language and custom."¹

It was within the public service also, that the policy of handing over control to the Samoans themselves was least successful. Although young Samoans had been sent to New Zealand for education, at the expense of that country's government, they had been trained for school teaching or the technical trade and professions, rather than for administration.² In consequence, there was a critical shortage of trained and experienced Samoan administrative personnel; and so, in 1959, as independence rapidly approached, a "crash programme" of accelerated training for Samoan public servants was begun.³

But, on the whole, the transition from trusteeship to independence was accomplished very successfully by Western Samoa. The formal granting of independence on January 1st, 1962 was accompanied by no great upheaval in the political or administrative structures and personnel of the country. As the Hon. Fiame Mata'afa Mulinu'u II, the first Prime Minister of the new nation, said in December 1960:

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¹ F.H. Corner, pp 141-142.
³ Ibid.
"Ours should be one of the smoothest of transitions from trusteeship to independence. Helped by our gradual assumption of political responsibility over the past fourteen years, and by our friendly co-operation with New Zealand, we should experience little strain or difficulty when the moment for independence comes."  

Independence

Seven months after independence was attained the newly-elected government of Western Samoa entered into a Treaty of Friendship with New Zealand, in which the latter country undertook to retain a special interest in, and concern for, its former dependency. The treaty talked of the "specially intimate relationship" between the two countries and, in this context, the governments promised:

"...to consult each other on matters of mutual interest and concern (Article II),... (and) to ensure that citizens of the other living within its territory (were)... given equitable treatment and full legal protection and access to the Courts (Article III)."

In addition, New Zealand promised to "consider sympathetically requests from the Government of Western Samoa for technical, administrative and other assistance, and also undertook to "afford assistance (when requested) to the

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1 In an address to the fourth committee of the fifteenth session of the General Assembly of the United Nations. Davidson, "The Transition to Independence..", p 39.

2 Elected by the matai only, as directed by a plebiscite taken just before Independence was granted.

3 "Treaty of Friendship Between the Government of New Zealand and the Government of Western Samoa," AJHR, A-12, 1962, p 2. (See Appendix D for full text.)
Government of Western Samoa in the conduct of its international relations."

This latter provision, although appearing to somewhat lessen the authenticity of Western Samoa's recently-attained independent status, was necessary for practical and economic reasons, and Keith Holyoake, the New Zealand Prime Minister, was quick to stress that

"...any activity undertaken by New Zealand on Western Samoa's behalf will be at the express request of that country and will in no way detract from Samoa's rights as an independent State." ¹

It is obvious therefore, that by 1962 New Zealand and Western Samoa were on very congenial terms. The speeches at the independence celebrations stress that although "...during the 40-odd years of New Zealand administration there had been some differences of opinions and errors experienced..", ² these hardships had actually "contributed to a deeper understanding" ³ between the two countries, and that out of this long association had "grown a relationship based upon friendship, mutual interest and deep affection." ⁴

Time and again, in press statements, in public addresses, and in parliamentary debates, the New Zealand


³ Hon. Mata'afa, Prime Minister of Western Samoa. Ibid. p 4.

⁴ Rt. Hon. Mr Keith Holyoake, Prime Minister of New Zealand. Ibid. p 4.
politicians talked of the wonderful relationship which existed between the two countries, and they promised that their country would do everything possible to help the Samoans in the years ahead. The Minister of Island Territories, Mr F. Gotz, for instance, in moving the second reading of the Independent State of Western Samoa Bill on 1st November 1961, had this to say:

"...I look forward... to the development of an even closer relationship between New Zealand and Western Samoa, a relationship which will be stronger than any legal bonds,... founded on mutual respect, tolerance and understanding.... I am sure we shall exercise the greatest tolerance towards them (the Samoan people)... and (that) we shall not fail them when their time of need comes."¹

It is statements such as this, and the Treaty itself, based on the historical association and ties between the two countries, that lead us back to Morrison and Suhrke's partial linkage paradigm discussed in the first chapter. The authors outline how the relationship between a small and a large country, in this particular model, "...follows its own dynamic of history..." and how the smaller state "...can exploit sentiments of obligation or treaty commitments..."² when it is bargaining with the more powerful partner.

The applicability of this paradigm to the contemporary relationship between Western Samoa and New Zealand will be kept in mind in the next chapters as we study the patterns and policies related to trade, aid and migration between the two countries at the present time.

² Morrison and Suhrke, p 294.
CHAPTER FOUR

AID

Before considering the amount and type of aid which Western Samoa receives from New Zealand, this chapter will look at various definitions of the concept, and then ask the question "Who really benefits from aid?" This latter discussion will include both a differentiation between the several types of aid, and an examination of the various motives which prompt donor countries to give aid.

The monetary assistance which Western Samoa received from New Zealand during its years as a mandated, and then a trust, territory will be considered next. Although this is not strictly aid in the sense that the recipient was virtually New Zealand territory, in the early years anyway, the amount of money and the way in which it was spent, make an interesting comparison with the post-Independence period. Also, it reveals something of the obligations felt by the larger power towards its smaller dependency.

However the real relevance of the theories pertaining to the relationship between small and large states cannot be assessed until after an examination of New Zealand's aid to the independent state of Western Samoa has been made. The general pattern of aid, or Overseas Development Assistance (ODA) as it is now called, will be studied, but specific case-studies will also be used, in order to highlight certain 'good' and 'bad' points of New Zealand's
contemporary aid programme in Western Samoa.

The administration of aid and factors determining its supply will be discussed next, especially in relation to the problems both of these pose for small developing countries. This leads into an examination of the different sources of Western Samoa's aid, and finally to an overall assessment of the aid programme, specifically New Zealand's, in Western Samoa.

Definitions of 'Aid'

The very word itself implies what is usually taken for granted: that 'aid' is given to 'help or promote'\textsuperscript{1} the welfare of the people in the poorer countries. However, even if this were the sole reason for the distribution of aid (and the following discussion will argue otherwise), it does not necessarily follow that such objectives are always achieved.

Debesh Bhattacharya defines foreign aid as "..a transfer of real resources and skill from one source to another, which could not have taken place as a consequence of the normal operation of market forces."\textsuperscript{2} It is a relatively new concept in that it involves governments consciously attempting to direct the "traditional unorganised flows of money and skills"\textsuperscript{3} into a pattern which ensures a

1 Webster's Third New International Dictionary.


more equitable distribution of the world's resources.

Another, more cynical, view of foreign aid sees it as "...a process by which poor people in rich countries help rich people in poor countries." This argues, among other things, that the distribution of the benefits of aid within the poorer country is heavily in favour of the urban, educated, politically-articulate, elite groups.

"Governments give aid to governments, and (because) the top priority of governments is to stay in power... the diversion of aid in the interests of short-term political advantages is not uncommon."2

Consequently, aid projects which are highly (and quickly) visible, urbanized, and middle-class serving,3 often receive greater priority from recipient governments than those which are more beneficial to the illiterate, largely non-voting masses.

A third definition of foreign aid - "the net capital inflow which does not have to be repaid"4 - is necessary if an accurate economic measurement of a donor country's aid contribution is to be made. Loans, even at very low interest rates and payable over great lengths of time, have to be

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4 Bhattacharya, p 19.
repaid eventually, and, therefore, only their 'grant element'\(^1\) can legitimately be included in total aid statistics. The net flow of capital between the two countries (or country and international organisation), not just the flow from the richer to the poorer, is the accurate measure of aid contributions.

Who Really Benefits?

The reasons for the donation of aid are about as varied as the definitions of it. Altruistic motives, based on moral and humanitarian considerations, while usually cited by donor governments as the primary inducement for the introduction of aid programmes, can be, in reality, incidental rather than paramount. Bhattacharya outlines the ways in which the distribution of different types of aid can be highly beneficial to the donor, rather than recipient, country, and also, how the 'aid' may actually be detrimental to the latter country.\(^2\)

Contributions of food aid for instance, let the richer country dispose of its own excess production - so keeping domestic prices high, and at the same time providing it with a method for establishing long-term demand and markets in the Third World countries. The recipient country, on the other hand, may be significantly disadvantaged by the

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\(^1\) From the point of view of the donor country, the grant element is the real cost of providing the loan, which is estimated by the benefit foregone by not putting the resources to their best alternative use at home. Bhattacharya, pp 19-20.

\(^2\) The rest of this section from Bhattacharya, pp 22-23.
provision of transient and spasmodic food aid. There is little incentive for the indigenous farmers to increase production when periodic inflows of staple foods keep the prices for these goods low; and the government itself becomes complacent about agriculture if it knows that food aid will always be available in the event of domestic crop failure.

Capital equipment aid also, has both advantages for the donor country and disadvantages for the recipient. Because the aid is tied\(^1\) to the purchase of equipment from the particular donor country, the manufacturers and industrialists in that country benefit from both the immediate sales, and the future demand for replacement parts, new models and so forth. The people of the recipient country on the other hand, may not be so fortunate. The tying of the aid means that it is unlikely that the cheapest and most suitable equipment is bought,\(^2\) while the equipment itself is often under-utilized due to the inability to adapt it to local conditions, the unskilled labour force and the lack of spare parts.

Technical assistance - whether it be students of the poor countries studying in the advanced countries, or experts from the latter directing and advising the governments of the former - is also subject to limitations in its usefulness.

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\(^1\) See concluding chapter, p 145.

\(^2\) For example, Western technology is evolved in conditions of labour scarcity and its central purpose is to save labour in relation to capital. This serves only to aggravate the gross under-utilisation of labour in the poor countries already. Bhattacharya, p 23.
In the first case, the education or technical training received in the modern institutions may not be suitable or relevant to the needs of the poor countries; and even if it is, there is no guarantee that the students will return to impart this knowledge. And in the second situation, the unfamiliarity of the foreign experts with the local conditions and customs, severely curtails their ability to assess the 'best' use of resources, with the least disruption to native institutions and society.

Both of these forms of technical assistance provide the donor country with the opportunity to expose its views, techniques, institutions and ideologies to the nationals of the poor country. In an effort to attract the potential markets and loyalties of the developing world into the capitalist or socialist camps respectively, the Western and Communist powers have, in part, used aid programmes as an initial point of contact.

However, it must be remembered here, that, in spite of the apparent condemnation in the above discussion of the self-interest of donor countries, it is not necessarily detrimental to the welfare of the recipient nations that such interests exist. It is only when they become more important than the interests of the poorer partner in the aid relationship, that the dangers inherent in the system become a real threat.

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1 See the discussion in the concluding chapter.
Monetary Assistance in the Pre-Independence Period

The initial focus of New Zealand involvement in "the interests of the Native population" of Western Samoa was in the field of education. The Administration had set up two government schools in Apia and established a scholarship grant for Samoan boys to study at St Stephen's Maori College in Auckland, within a year of its takeover of power. However it soon realized that it could not undertake the whole responsibility for education, and so also made monetary grants to the various Missions which were already teaching in the country - the largest, the London Missionary Society, had over 8000 children in its village schools by 1920.

By the end of the second financial year (31st March 1922) New Zealand had contributed £16,000 to the Western Samoan Treasury, out of its total revenue of £135,569. The subsidy was "based on the additional cost of the Medical and Educational Departments expended since the New Zealand Government accepted the Mandate, and on the cost in excess of revenue of the wireless station."4

This exemplified the distribution of NZ's subsidy for the next six years. The vast bulk of the expenditure was on the education and health services, with a small amount

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devoted to the Apia radio station. And in 1923-24 an extra £6,000 was granted in order to cover "abnormal losses to roads and bridges caused by the severe and prolonged bad weather."\(^1\) Of the approximate total of £160,000 given by 31st March 1928, about £61,000 (38%) had come from the Reparation Estates.\(^2\)

In 1928-29 the total subsidy more than doubled from the previous year (from £20,000 to £47,374).\(^3\) However this was arguably of no benefit to the Samoans as the extra money was spent on the Military Police. Over the next two years another £36,000 was expended for this purpose, taking up, in total, almost one quarter of all the grants given by New Zealand up to 31st March 1931.\(^4\)

After that date Western Samoa received no more subsidies from its Administering Authority until 1946 - the worldwide Depression of the thirties, followed by the onset of the Second World War being mostly responsible for this. In 1944 though, the New Zealand Prime Minister, Peter Fraser, visited Western Samoa in order to meet with the new nationalist leaders and to discuss their grievances with them. He explained that New Zealand was not prepared to concede to Samoan demands for immediate self-government as both education levels and living standards were not sufficient to allow this.\(^5\)


\(^4\) Calculated from figures in Reports \textit{AJHR}, A-4, 1922-1931.

\(^5\) Boyd, pp 186-187.
However, in order to improve this situation, New Zealand would henceforth devote the surplus profits of the Reparation Estates, N.Z.R.E., to the furtherance of education (mainly through scholarships to N.Z. institutions), and to various other projects "for the benefit of the Samoan people." Fraser was careful to emphasize that the Estates belonged to New Zealand as of right, and not to Samoa, but as his country did not want to receive any profits from its mandated territory, the scholarships would provide the ideal solution.

Therefore, although official figures show a total 'New Zealand subsidy' of £528,881 to Western Samoa in the period from 1st April 1945 to 31st December 1956, the NZ government did not actually contribute any of its own internally-generated revenue to this amount. In fact, some of the 'subsidy' for education and broadcasting was even spent in New Zealand itself, without going through the Samoan Treasury at all.

As with the subsidies of the 1920's and early '30s the bulk of the contributions was spent on education. Table 4.1 shows the exact distribution of the decade's subsidies.

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2 Calculated from figures in Report, AJHR, A-4, 1946-1956. (The financial year was changed to coincide with the calendar year in 1950.)


4 Calculated from figures in Report, AJHR, A-4, 1946-1956.
Table 4.1 Allocation of NZRE profits, 1945-1956.

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Education and Overseas scholarships</td>
<td>£277,841</td>
<td>52</td>
</tr>
<tr>
<td>Health</td>
<td>£50,000</td>
<td>9</td>
</tr>
<tr>
<td>Rhinoceros-beetle control</td>
<td>£9,766</td>
<td>2</td>
</tr>
<tr>
<td>Public works</td>
<td>£167,510</td>
<td>32</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>£23,764</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>£528,881</td>
<td>100%</td>
</tr>
</tbody>
</table>

In 1957 the New Zealand Government transferred the assets of the NZRE to the Western Samoa Trust Estates Corporation (WSTEC) - a body especially constituted for this purpose.¹ Not only did this mean that the grants, or aid, now came direct from New Zealand, but also, the transfer itself was a significant step towards the Samoan's goal of self-government.

In the following three years, the last before the achievement of Independence, the Administering Authority allocated another £141,000 of NZ funds to Western Samoa. While, as previously, the education vote took a significant proportion of this (30%), it no longer was the dominant feature, with half of the expenditure being devoted to agriculture. The rest was divided between funds for Government House (12%), the O.F. Nelson Memorial Library (4%), and the Prime Minister's Department (4%).²

In total then, during the years that it was a mandated, and then a trusteeship, territory of New Zealand, Western Samoa received nearly one million pounds from its

¹ Davidson, Samoa Mo Samoa, p 259.
Administering Authority - including the grants from the NZRE. In the early years (1922-1931) the subsidy averaged about 14% of the territory's total annual income, but in its second phase, as the profits from the Reparation Estates, fluctuated between 1.2% (in 1946) and 9% (in 1956). In the final stages of New Zealand administration it remained low, with 4.6% in 1958 being the highest of the four years.¹

It can be seen therefore, that during the forty years of New Zealand rule in Western Samoa, the financial assistance given by the Administering Authority to its 'colony' was not a major feature determining the degree of the smaller state's dependency. It was the political and administrative control which the larger state exercised over the smaller, not the 'aid' it gave it, which set the tone for the relationship. (The aspect of trade will be examined in the next chapter.)

And although the fact that Western Samoa was not an independent state at the time, precludes a discussion on the extent to which the pre-1962 aid relationship between the two countries conforms to our theories of small/large state relations, some general observations can be made. The influence of the Depression and the Second World War for instance, is obvious in the statistics of subsidies to Western Samoa in the 1930's and '40s.

This raises the question of whether or not such international events can be seen in the light of a large country having its relationship with a small country determined by its own relationship with other large countries; or whether it is the domestic situation, e.g. bad economic conditions, within the larger country which is the determining factor.

The other aspect of NZ's pre-Independence expenditure in Western Samoa, that of the effectiveness or true benefit of the grants to the 'average' Western Samoan, is relatively difficult to assess. The fact that much of the money was spent on education, especially at the primary level, would seem to suggest that the majority of the people benefited to some extent from the subsidies. And while this is basically true at the individual level, despite some concentration of services at Apia, the advancement of the nation as a whole, and its movement towards independence, was somewhat hindered by the lack of tertiary education and other advanced training among the senior Samoan public servants.¹

The major assessment of the aid programme however, will not be undertaken until after the following examination of New Zealand's post-1962 aid to Western Samoa. As mentioned earlier, it is only after Western Samoa attained the status of a fully independent nation that its aid relationship with New Zealand can be seen in the light of small state-large state theories. And while the subsidies

¹ Davies, pp 297-299.
of the earlier years give some indication as to the degree of New Zealand spending in Western Samoa, the very fact that the former country was responsible (to the United Nations) for the latter, means that the incentives for giving grants were greatly increased.

Post-Independence Aid to Western Samoa

On the eve of Western Samoa's independence, the New Zealand Government outlined a programme of educational and administrative assistance to its former trust territory. A grant of $800,000 was given for education expenditure, to be spent over the following five years, and a further $90,000 p.a. was pledged for administrative support - mainly in the form of a subsidy for New Zealand personnel. In its first year of independence (1961/62) Western Samoa received a total of $340,000\(^1\) from New Zealand's bilateral aid allocations, but this figure dropped to $300,000 for the 1962/63 financial year.\(^2\)

The allocation continued to fall for the next three years until it reached $206,000 in 1965/66.\(^3\) The emphasis on education was maintained but, as promised, financial support for administrative and technical services also continued. The 1966/67 financial year recorded a significant increase in New Zealand's aid to its former trust territory - due to a $150,000 Plantation Restoration Loan "to help Western Samoa overcome the depredations of the

\(^{1}\) NZPD, Vol. 332, p 2089, 16th October 1962.
\(^{3}\) New Zealand Official Yearbook, 1967, p 41.
hurricane." And NZ was also instrumental in persuading the United Nations to allocate $388,000 of its funds for the same cause.

In July 1964 the first large-scale aid to Samoa for economic rather than educational or administrative purposes was given in the form of a $2 million loan for harbour development at Apia and Asau (in Savai'i). Although the loan was actually raised on the New Zealand public market, and therefore not 'official' aid in the accepted sense, it was guaranteed by the NZ government - making the terms much more generous than they would have otherwise been. Other loans, direct from the NZ government, for such things as the construction of Parliament House, and dredging of the Asau Channel, were included in later aid figures, inflating these figures beyond their 'true' value.

As Figure 4.1 shows, official development assistance, ODA, or aid, to Western Samoa from New Zealand, has risen dramatically, despite some fairly severe fluctuations, since the time of independence celebrations. After the rise in 1966/67 to help overcome the effects of the hurricane, the

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2 Ibid.
4 The interest rate was 5½%, and the principal did not have to be repaid until 1974 (40%) and 1984. Department of Economic Development, The Development of Western Samoa, 1971-1972. Apia, Western Samoa. p 116.
5 For example, the $400,000 of 'aid' given in 1970/71 included a $150,000 loan, NZPD, Vol. 371, p 281, 10th March 1971.
**Fig. 4.1** New Zealand Official Development Assistance (ODA) 1962-1980.

aid levels dropped again for the rest of the sixties - to coincide with the economic recession in New Zealand. The later phenomenal increases occurred during the brief term of office of the Labour Government (1972-1975), and after the (National) government's decision in 1976/77 to "attach priority to sustaining significant growth in absolute terms in New Zealand bilateral aid to the countries of the South Pacific,"\(^1\) despite a no-growth policy of overall ODA levels, due to a worsening of the economic situation in New Zealand.

Although detailed accounts of recent aid allocations are not available,\(^2\) the 1972/73 report of ODA figures,\(^3\) and various other reports of more recent projects, enable us to build up a relatively accurate picture of the contemporary focus of New Zealand aid in Western Samoa. The most obvious change from the early years is the present concentration of expenditure on developmental and agricultural programmes. Short-term consumption has given way, to some extent, to a more future-orientated plan of aid-money spending.

In 1972/73 for instance, almost half of the $861,073 grant from New Zealand was spent on a ferry terminal, with a harbour development study, and a road survey taking up

\(^1\) Ministry of Foreign Affairs, Report AJHR A-1, 1977. p 37. The percentage of bilateral aid which is allocated to the South Pacific has steadily risen from 43% in 1970/71 to over 66% in 1979/80.

\(^2\) The Ministry of Foreign Affairs is unwilling or unable to provide the information in the detail required for a comprehensive examination of NZ's aid performance in Western Samoa.

another $85,000. In a country which is as dependent on shipping as Western Samoa is, any expenditure on harbour facilities is an investment in its own economic survival. Agricultural production however, the over-riding basis of the economy, did not receive priority from New Zealand until a year or so later.

The allocation of aid in 1972/73, by its type, is shown in Table 4.2, with comparative figures for the South Pacific's share, and the total amount of aid.

<table>
<thead>
<tr>
<th>Type of Aid</th>
<th>New Zealand Aid to:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Western Samoa (%)</td>
<td>South Pacific (%)</td>
</tr>
<tr>
<td>Technical Cooperation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Trainees</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Exports</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Consultants</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>General Development</td>
<td>68</td>
<td>62</td>
</tr>
<tr>
<td>Food Aid</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Relief Aid</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Loans (Net)</td>
<td>-</td>
<td>20</td>
</tr>
</tbody>
</table>

This shows that none of New Zealand's aid to Western Samoa in that year was in the form of loans (that is, needing to be repaid), and that a considerably higher than average proportion of aid was allocated to technical assistance —


2 Ibid, p 52.
another indication of a future-oriented plan.

In the Ministry of Foreign Affairs' 1974 Report the importance of development at the 'grass roots' level was emphasized for the first time.

"Of the programmes endorsed by partner governments, New Zealand favours those which make a direct impact on social and economic development at the village and rural level... to help raise the living standards of the ordinary people and provide jobs for them."¹

And this theme was continued in the 1975 report, although with a stronger emphasis on providing for the long-term self-help development of the economy:

"Transfer of technology, especially in agriculture, lies at the heart of the New Zealand assistance programme. Priority is placed on providing skills which help developing countries to become more self sufficient, create jobs, and improve living standards."²

It is obvious therefore that New Zealand aid administrators are well aware of the dangers of concentrating their efforts on large, infrastructural, urban-based projects alone. As outlined at the beginning of this chapter, the majority of a developing country's people can all too easily be ignored in aid programmes, and even have their conditions worsened by them. However, being aware of a potential situation, and successfully avoiding, or attaining, it, are not necessarily the same thing, as some of the following discussion of selected NZ aid projects in Western Samoa will show.

One project which is somewhat limited in its extent, geographically anyway, is the current upgrading of the water supplies and sewage systems. Although some of the work has been done on the rural water supply — providing pipes, pumps and building materials for village systems — this has been limited to western Upolu. And the bulk of the expenditure has been concentrated on Apia alone. However this can be justified to a certain degree by the fact that the rapidly-increasing urban population had made the town's water supply "inadequate to the point of being a potential public health hazard," and, in total, because of the concentration of population in western Upolu, about half the country's citizens are benefitting from the scheme.

One of the largest development projects in New Zealand's current aid expenditure (1978-79) is based at Asau, a village in the remote north-west of Savai'i. Here, NZ officials and experts, are engaged in an extensive reforestation programme, in order to guarantee the continuation of Western Samoa's timber industry:

"...the objective of the project is to provide timber to sustain a viable industry, increase export revenue for Samoa, reduce the country's dependence on timber imports and provide jobs for rural Samoans." 4


2 Ibid.


To this end, fast growing general-purpose timber - Eucalyptus, for example - has been widely introduced, and nurseries have been established for the rapid and efficient growth of seedlings. Complex negotiations with matai have ensured the lease of a much-needed 2,400 hectares of customary land, and up to 150 native people have been engaged on the project at any one time. In this way then, the practical application of New Zealand aid in this instance, has benefited the Samoans at both the local and national levels.

The latest available sector summary of bilateral aid (1975-76)\(^1\) shows that the health budget took the largest single proportion of New Zealand aid to Western Samoa (see Table 4.3).

Table 4.3 Bilateral aid: Sector summary 1975-76 (Planned).

<table>
<thead>
<tr>
<th>Sector</th>
<th>Amount ($000)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>765</td>
<td>29</td>
</tr>
<tr>
<td>Public Utilities and Works</td>
<td>450</td>
<td>17</td>
</tr>
<tr>
<td>Agriculture</td>
<td>358</td>
<td>14</td>
</tr>
<tr>
<td>Communications</td>
<td>212</td>
<td>8</td>
</tr>
<tr>
<td>Transport</td>
<td>160</td>
<td>6.6</td>
</tr>
<tr>
<td>Education</td>
<td>100*</td>
<td>4</td>
</tr>
<tr>
<td>Forestry</td>
<td>50</td>
<td>2</td>
</tr>
<tr>
<td>Power</td>
<td>50</td>
<td>2</td>
</tr>
<tr>
<td>Fisheries</td>
<td>10</td>
<td>0.4</td>
</tr>
<tr>
<td>Other, and 'To be identified'</td>
<td>445</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,600</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

* Most of the scholarship/study awards are allocated from a separate training item of the NZ Aid Vote.

However, the year chosen is somewhat anomalous in that it includes some of the expenses of New Zealand's largest project in the South Pacific (second only to the Indonesian geothermal power project in its entire aid programme) - the new Apia National Hospital.¹

Formal plans for the hospital were drawn up by a Western Samoan cabinet committee in December 1970, but these were vigorously opposed by a New Zealand Department of Health survey team on the grounds of excessive cost, inappropriate design and aesthetics, and excess capacity relative to rural needs.² A compromise plan was then drawn up, but was later further reduced when the deficiencies of the overall scheme became obvious.

The major problem is not so much the internal design of the hospital itself, although this is subject to much criticism,³ but rather the inequalities it creates in the national distribution of health services. A study of the following figures reveals the disparities between the amount of resources the hospital absorbs and the number of patients it treats. In 1977, 69% of the internal health budget and 75% of New Zealand's bilateral health aid were devoted to the hospital, while 80% of the country's doctors worked there. Yet only 60% of in-patients and 40% of out-patients used the services provided by the hospital.⁴

¹ Hoadley, Aid Politics and Health Resource Distribution in an LLDC, p 10.
² Ibid.
³ For example, insufficient ventilation and natural lighting, corridors overlong, unnecessary elaborateness. Ibid, pp 13, 14.
There are fourteen district hospitals and four 'health sub-centres' scattered around the country, but their standards are rapidly decreasing. From 1970 to 1977 the number of doctors actually on duty in these hospitals fell by 50%, while their expenditure, on a per patient basis, fell to a mere 15% of that of the Apia hospital. And, just as importantly, the loss of prestige to, and morale in, these local health services led to the 'voluntary' migration of rural patients to Apia.

New Zealand health officials and aid advisers have been severely criticised for their role in the development of the high level of concentration in health resources. A Western Samoan Commission of Inquiry concluded that the undue emphasis placed on the national hospital - and its "lavish" nature - had directly contributed to the deterioration of health services for the majority of people who lived outside Apia. And it excused the local medical officers on the grounds of inexperience, and a natural desire to work in a modern, fully-equipped hospital.

Stephen Hoadley, a member of the New Zealand government's Advisory Committee on External Aid and Development, was not so forgiving of the local Samoan

1 Hoadley, Aid, Politics and Health Resource Distribution in an LLDC, p 21.
3 Ibid, p 23.
4 Including the Chief Justice of the Cook Islands, a member of the Auckland Hospital Board, and the medical superintendent of the Rotorua Public Hospital.
New Zealand Herald, June 20th 1978.
officials. His study of the planning stages of the project revealed that it was the New Zealanders who favoured "modest decentralization" of the health services, and that it was the Samoans themselves who "plumped for an elaborate central hospital." The former only agreed to the present plan when the Samoans pledged to use their own resources to upgrade rural health services to balance the Apia Hospital redevelopment, and because it is New Zealand government policy to let the aid recipients, as far as possible, spend their grants in the way they themselves choose.

In essence then, although the Apia National Hospital can be seen to exemplify many of the detrimental aspects of aid allocation, especially those related to our second definition of aid - "a process by which poor people in rich countries help rich people in poor countries" - this is largely due to the Samoans' own decision-making process. As Hoadley says, the series of apparently rational individual decisions - such as accepting a large capital grant at no initial cost and only modest recurrent costs (as they calculated them), and in order to obtain a modern, prestigious medical facility - when taken collectively, produce a result which is somewhat irrational.

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1 Hoadley, Aid Politics and Health Resource Distribution in an LLDC.
2 Ibid.
Administration of Aid

It is cases such as this which illustrate how important it is to take a long-term, nationwide view when any individual projects or plans are being considered. Western Samoa received over US$18 million in foreign soft-term loans and project aid from many sources, both bilateral and multilateral, in 1979.¹ The degree of overall planning and administration which is necessary to co-ordinate and complement the many hundreds of individual projects within this allocation is immense, as can be imagined.

And it is in the small developing countries, where both economic and human resources are more limited, that this problem of the aid programme is most difficult to overcome. The small size of the civil services in the South Pacific nations - which cannot maintain the wide range of specialist roles and the division of labour generally found in large societies, coupled with the rapid increase in the number of aid agencies involved in the region, has placed a large burden on the individual bureaucracies there.

"The need for each (aid) agency to maintain contact with key areas of government, the statistical information requests from such agencies and the fact that many agencies have their own specialized and unique implementation or accounting procedures, has meant a great increase in the workload of the small number of officials concerned in each country. In some countries, a major cost of external aid is the constraint which such involvement places on the productivity of important sections of the civil service."²

¹ "Western Samoa", in ADB South Pacific Agricultural Survey 1979, p 370.
² "Aid in Development" in Ibid, p 427.
The Rt. Hon. B.E. Talboys, Minister of Foreign Affairs, discussed this problem in a speech to Parliament in September 1978. He stressed that the way to a better aid relationship with the Pacific Islands lay not in stricter demands on the recipient country - in the form of requests for information (in order to more accurately account for NZ government funds) - but in a greater *flexibility* of approach. One option he said he was considering was programme, as opposed to project, aid. That is

"...allocating funds to a particular sector of an Island economy, say, agricultural production, and leaving the country to determine for itself the precise ways in which the funds would be spent."  

The end of a separate aid training programme, operated on the basis of a number of study/training awards offered annually from a consolidated training item of the Aid Vote, marked a step in the direction of this 'greater flexibility of approach'. By now including this money in the total bilateral aid grant, New Zealand is giving the recipient countries a much greater say in determining the amount of aid to be allocated to training purposes in relation to capital aid projects. 

However, in Western Samoa's case, there is much dissatisfaction with this new system. The government was originally told that its aid budget would increase from

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1 *NZPD, Vol. 413, p 2761, 7th September 1978.*
2 Ibid.
$NZ3.63 million to $NZ4.34 million in 1978/79 to cover the cost of the training and scholarship schemes; but when the actual amount was given, it turned out to be less than $NZ4.0 million.\(^1\) As virtually all of the aid money had already been allocated by this time – to the National and District Hospitals, and the forestry project (discussed earlier) for example, it meant, in essence, that the amount which could be devoted to education was reduced by almost one half. An article in the government newspaper summed up the Samoans' feelings:

"In the final analysis the matter is one of good faith. If the New Zealand authorities wish to effect economies in the aid program, this will readily be respected and the fullest co-operation extended. Such a wish should not however be closed in the dubious language of flexibility, especially where the futures of many of the country's young people are involved."\(^2\)

What Determines the Supply of Aid?

This example is highly illustrative of another of the small developing countries' major aid problems – guaranteed supplies. In these small-scale economies, the injection of aid funds is vitally important to the country's development programmes: in Western Samoa in 1979 an estimated WS$18 million of foreign soft-term loans and grant money, compared to a mere WS$1.5 million of domestic savings, was invested in the development projects.\(^3\) If the

\(^1\) Savali, 7th December 1979.

\(^2\) Ibid.

\(^3\) "Western Samoa", A.D.B., p 370.
supplies of this external revenue are not committed on a long-term basis, the recipient countries cannot make the most efficient and rational use of their financial resources. As Hoadley says, it is wrong that

"...aid should be contingent on the short-term budgetary and balance of payments situation of donor countries rather than on the persisting needs of recipient countries." \(^1\)

And it is with this thought that we return to the problem posed earlier, in relation to Morrison and Suhrke's partial linkage paradigm, of whether the worsening economic conditions in New Zealand, leading to the reduction in its overall programme, are a domestic or international phenomenon. Some would argue that the inflation, unemployment and other financial crises are the result of internal government mismanagement of the economy, while others would attribute these factors to the world-wide recession, oil price rises and so on.

Obviously both arguments have very valid points. A country such as New Zealand, which is almost totally dependent on its overseas trade, can never act in isolation of its international environment. Its whole economy is dependent on the markets and supplies of its foreign trading partners, and in this sense, it can be said to have virtually no domestic control of its circumstances at all. However, this is true, to some extent, of almost all

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countries of the world - even the U.S.A. has had to accept the Arabs' oil prices - and this author believes that it is not the intention of Morrison and Suhrke to make economic conditions a primary criterion for their paradigm.

It is mainly the political relationship between the larger states (of which trade, aid, and investment is a component part) which does, or does not, affect the individual larger state's relations with a smaller state. And, in essence, it is the extent to which New Zealand gives aid to Western Samoa because of historical, geographical or ideological ties, or because "of sentiments of obligation or treaty commitments",¹ rather than because of its own relationship with Australia or Britain for instance, that will mark the relationship as partially or systematically linked.

If the other larger countries are involved at all, it is because of their relationship with the smaller state, not the larger one.

Other Aid to Western Samoa

There are many nations and international organizations other than New Zealand, involved in the granting of aid to Western Samoa.² For instance, the United Nations Development Programme allocated US$1.3 million for a wood-fuel electricity generation scheme for Savai'i in 1979; the EEC has guaranteed Western Samoa an export earning

¹ See discussion of Morrison and Suhrke's paradigm, p 15.
² See Appendix E.
of not less than the average of the four preceding years' income for cocoa, under its Stabilization of Export Earnings Scheme, STABEX; \(^1\) and the World Bank, in 1975, granted a soft loan of US$4.4 million for the construction of roads and bridges in south-eastern Upolu, in order to stimulate the production of cash crops through better access to Apia. \(^2\)

And other nations too, are giving bilateral aid to Western Samoa. In 1976, Australian ODA to the country was 24% higher than New Zealand's contribution, \(^3\) and an aid-seeking mission led by the Head of State, Malietoa Tanumafili, visited Japan, Korea, China, West Germany and Britain in the same year. \(^4\) Since then, there has been a "great increase in aid from countries other than New Zealand." \(^5\) The possibility of the Russians giving aid has received a great deal of publicity, mainly due to adverse reactions in New Zealand and other Western countries concerning the strategic implications of Russian presence in the South Pacific. \(^6\)

The extent to which the Samoans, or other Pacific

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\(^1\) Savali, 29th June 1979.

\(^2\) World Bank, Annual Report 1975. It has not made any more grants to Western Samoa since then.

\(^3\) Calculated from figures in Te'o I.J. Fairbairn and Allan Bollard, p 17.

\(^4\) Christchurch Star, 3rd September 1976.

\(^5\) Interview with the Western Samoan Deputy High Commissioner to New Zealand, Mr T.F. Toleafoa, 17th January 1980.

Islanders, are really considering the acceptance of Soviet aid - and the accompanying Russian fishing base, or just using it "to put pressure on New Zealand to increase its aid commitments", has been seriously questioned. However Western Samoa is not short of aid donors. One of the advantages of being a small country is that a relatively minor injection of capital and technical assistance will produce a highly-visible project from which the entire nation can benefit - so, easily enhancing the donor country's image. Therefore, the Samoans do not have to beg, or 'blackmail' their former Administering Authority, for aid money today. As the Prime Minister of Western Samoa, Tupuola Efi, says "We can now be more selective in whom we accept aid from and for what purposes they are allocated for (sic)."

An Assessment

For some time now, New Zealand has recognised its special responsibility to help the peoples of the South Pacific region. The historical, geographical and ethnic ties which bind the peoples of the two countries (New Zealand and Western Samoa), not to mention the 'sentiments of obligation and treaty commitments', and humanitarian

1 Christchurch Star, 3rd September 1976.
2 Interview with Mr T.F. Toleafoa.
3 Ibid.
considerations, make New Zealand aid to Western Samoa almost inevitable. And the fact that the aid to Western Samoa has risen rapidly in the last few years, despite a slow increase, or even cuts, in the total ODA given by New Zealand, illustrates the priority given to South Pacific countries by NZ aid officials.

Some of the features of aid programmes discussed at the beginning of the chapter can briefly be considered here. While New Zealand does not give food aid as such to Western Samoa, it does export a considerable amount of foodstuffs to that country, and the consequences of this can be as damaging as those described for food aid. (See pp 26-27.) As far as the tying of aid is concerned, it is impossible to get the figures for individual countries, so only the overall percentages will be given. In 1979-80 60% of New Zealand's bilateral, and 18% of its multilateral, aid allocation was tied to New Zealand goods and services.\(^1\) This aspect of the aid programme - developing trade links from capital grants - will be discussed in the concluding chapter. And although some of the aid has been in the form of loans, in 1979 the New Zealand Government cancelled all outstanding development loans - about $3.5 million owed by Samoa, Fiji and the Cook Islands.\(^2\)

The value and desirability of training the people of the developing nations in their own environment has been well recognized by New Zealand aid officials. The establishment of a regional university in Suva, with an agricultural

\(^1\) NZPD, No. 21, p 2695, 4th September 1979.
\(^2\) The Press, 26th November 1979.
faculty in Apia - both funded from the Pacific regional allocation of New Zealand's foreign-aid programme - has gone a long way towards achieving this objective. And although it is somewhat difficult to assess, New Zealand does try to send experts who are

"sympathetic to the needs and aspirations of Pacific countries, have significant first-hand experience in the region.... and have a deep understanding of Pacific attitudes, customs, economic structures and development aspirations." 

This problem of the assessment of the 'true value' of the aid programme is evident in every sphere. Even if the information was available in the detail necessary for an extensive study, by what criteria would the aid's real benefit to the individual, or to the nation as a whole, be judged? Different value systems, even within the region itself, would give quite different perspectives on the 'ideal' aims and priorities which aid projects should have.

One assessment of the New Zealand aid programme which has been undertaken is that done by the government sponsored Advisory Committee on External Aid and Development. In its 1978-79 report it drew attention to the 'deficiencies', as it saw them, of New Zealand's aid to Western Samoa:


2 For example, should the children of Samoan matai and other leaders be given priority in the scholarship and training schemes? Davies, pp 294-295.

3 Comprised of up to 12 members drawn from a broad cross-section of the community, including the voluntary agencies, the universities, the business sector and politics.
"it...(would be) desirable to make progress towards greater consolidation of the agricultural programme, with emphasis on reinstating growth in domestic agriculture. ...(T)oo much emphasis has been placed on infrastructural development, which raises questions of local ability to sustain and maintain the infrastructure."¹

This new focus on agricultural development is consistent with the Samoan government's own priorities of employment creation and long-term economic self-sufficiency.

Despite the superficiality of this study of New Zealand's aid to Western Samoa, it is possible to draw a few general conclusions concerning this aspect of the relationship between the two countries. On the whole, while Western Samoa is appreciative of, and in need of, New Zealand aid, it is not totally dependent on this one larger country for its economic assistance. There are many different aid donors at work in Western Samoa, and in this regard, the small developing nation has managed to avoid a high degree of economic dependence on its former 'colonial' authority,² though it must be remembered that New Zealand makes significant contributions to the South Pacific Forum and other multilateral agencies from whence Western Samoa also receives much aid. (The economic implications of its trade and migration links, however, will be considered in the next chapters.)

As already discussed, the application of Morrison and Suhrke's paradigm to the aid relationship between

² Unusual in comparison to other Pacific countries. See Appendix E.
Western Samoa and New Zealand is somewhat difficult at this stage. While the larger country's donation of aid to the smaller is based, as the paradigm predicts, on historical, geographical and ethnic ties, and feelings of obligation and treaty commitments (rather than on its political relations with other larger states), it is necessary to examine the relationship in its entirety before making any real decisions as to the suitability of the paradigm. To this end then, the next chapter will examine the trade links between the two countries, and the following, the migration - both short-term and permanent - of Samoans into New Zealand.
CHAPTER FIVE

TRADE AND INVESTMENT

This chapter will attempt to assess the degree to which Western Samoa's trade and investment characteristics conform to the theories outlined in Chapter One. By examining the direction and composition of the country's export and import links the importance of New Zealand (as the former 'colonial power') in Western Samoa's contemporary trade pattern can be determined.

The special concessions and provisions for trade with, and investment in, Western Samoa made by the New Zealand Government will also be examined - in order to assess the extent to which the larger country is really stimulating the economic development of the smaller. And the study of the role of multi-national companies, working through their New Zealand branches, will provide further evidence of foreign influence in Western Samoa's economy.

It is hoped that by the end of the chapter an overall assessment can be made of Western Samoa's dependency on trade with New Zealand, and of the degree of control which the country holds over its own economic life and future.

Direction of Trade

Contrary to what might be expected of a colony, German Samoa, from 1900 to 1914, did not trade almost exclusively, or even mainly, with Germany. The first
available official figures show that, in 1913, approximately 50% of the territory's exports went to Germany, 40% to Australia and New Zealand, and 5% to the United States. The bulk of the imports (60%) came from Australia and New Zealand, only 15% from Germany, and 9% from the United States.¹

The advent of the First World War and the ensuing New Zealand takeover of German-held property and business, significantly changed the colony's trading pattern. All interaction with Germany ceased, while that with the United States increased dramatically. This increase, although somewhat incongruous at first glance, can be explained by the war-time shipping arrangements, as outlined in the first official report on New Zealand's trade with Western Samoa, the Cook Islands, and Tonga.²

Once war had started, the (British-owned) Union Company refused to carry copra - Samoa's major export - for transhipment, because of its highly inflammable nature. This action, in the words of the report, "had a most disastrous effect on British trade,"³ by allowing the Americans to take over the shipping, and consequently the purchase and supply of Samoan trade goods. By 1918 Western Samoa was selling 83% of its exports to, and buying 35% of its imports from, the United States.⁴

¹ Keesing, p 303.
³ Ibid.
⁴ Ibid, pp 44 and 46.
This trend did not continue however, and gradually the United Kingdom, Australia and New Zealand increased their shares of the Samoan export and import trade.\footnote{See Appendix F.} By the 1940's and fifties, the U.K. was taking approximately half of Western Samoa's exports and supplying 15-20\% of its imports, while New Zealand was responsible for about one third of the trade in both.\footnote{Averaged from figures in the Annual Reports on Western Samoa, AJHR, A-4, 1940-1959, and in the \textit{New Zealand Official Yearbooks}, 1940-1961.}

In the period immediately prior to Independence, New Zealand was the major market for exports (40\% in 1959), with the U.K. also taking a significant amount (35\%) of Samoan produce.\footnote{New Zealand Official Yearbook, 1961.} Both countries were also prominent in the import trade, with NZ supplying 28\% and the U.K. 17\%, of Samoan imports. Australia and the U.S.A. continued to trade with Western Samoa over this time although their role as import-suppliers was more important than their role as external markets, especially in the case of Australia.\footnote{In 1959 Australia took 2\% of exports, but supplied 17\% of imports. \textit{Ibid.}}

In its years as an independent nation, Western Samoa has branched out significantly in its choice of trading partners. West Germany has, once again, become an important market for exports (22\% in 1977/78), with the Netherlands (10\%), American Samoa (7\%), and Japan (6\%) also gaining in prominence. In the imports field, Japan features again—supplying 19\% of imports in 1977/78, with the traditional partners Australia and the U.S.A. providing 15\% and 9\%
respectively; and Fiji, the U.K., West Germany, Hong Kong and Singapore collectively accounting for a further 17%.\textsuperscript{1}

The major trading partner in both imports and exports however, is the former Administering Authority, New Zealand. Western Samoa has received about one third of its imports from New Zealand for most of the sixty years for which information is available, and has sent a similar percentage of its exports to that country since the mid-1950's.\textsuperscript{2}

There have been fluctuations of course, some quite major, but as the percentages are calculated in terms of the value of trade, the short-term fluctuations are often explained by the unstable prices for individual commodities,\textsuperscript{3} rather than by a change in the direction of the volume of trade.\textsuperscript{4}

Composition of Trade

The actual composition of Western Samoa's trade however, has changed quite considerably. There has been some diversification from the traditional export crops of cocoa, copra and bananas, with the latter product becoming entirely insignificant in terms of current export receipts.

\textsuperscript{1} Department of Statistics, Quarterly Statistical Bulletin, 1st Quarter January-March 1979, Apia, Western Samoa, p 41. See Appendix F.

\textsuperscript{2} Calculated from figures in the Annual Reports, AJHR; the New Zealand Official Yearbooks; and Western Samoan Statistical Bulletins.

\textsuperscript{3} See Appendix A.

\textsuperscript{4} For instance, in 1975/76 NZ took 37%, and West Germany 35% of Western Samoa's exports. In 1976/77 the figures were 17 and 46 percent respectively. This reflects the great price rise in cocoa that year - cocoa making up about 70% of exports to West Germany. Annual Statistical Abstract 1977, pp 52 and 59.
The range of imports also, has widened as the demands for modern technology and western standards of living increase.

In 1959\(^1\) the total value of exports was 3.3 million, of which 41% was made up by copra sales, 30% by cocoa, and 27% by bananas. The imports for the year totalled 2.5 million, with the major individual items being meat (10%), motor vehicles/parts etc. (6%), sugar (4%) and cottonpiece goods (2%); though the main expenditure overall was on foodstuffs.

Today copra and cocoa are still Western Samoa's major export items - together making up 76% of the trade revenue (44% and 32% respectively), with taro (12%), timber (2%), and bananas (1%) being the only other individual items of any significance.\(^2\) As far as imports are concerned, foodstuffs, while still important (29% of imports in 1978), are no longer paramount, and manufactured goods (20%) and machinery (26%) have been major expenses in recent years.\(^3\)

Figures 5.1 and 5.2\(^4\) show the percentage of these commodities which Western Samoa imports from, and exports to, New Zealand. See Appendix G for a detailed breakdown of trade with New Zealand.

The favourable balance of trade of the late 1950's did not last. In the following twenty years exports experienced a slow, somewhat unsteady growth, while imports,

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\(^1\) New Zealand Official Yearbook, 1961.
\(^3\) Ibid, p 57.
\(^4\) Calculated from figures in Annual Statistical Abstract 1978.
Fig. 5.1 Percentage of Imports from N.Z. by Commodity (1978)

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>Percentage by Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOOD</td>
<td>80</td>
</tr>
<tr>
<td>B &amp; T</td>
<td>60</td>
</tr>
<tr>
<td>C.M.</td>
<td>40</td>
</tr>
<tr>
<td>FUEL</td>
<td>20</td>
</tr>
<tr>
<td>AUF.</td>
<td></td>
</tr>
<tr>
<td>CHEM</td>
<td></td>
</tr>
<tr>
<td>MAN.</td>
<td></td>
</tr>
<tr>
<td>MACH.</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>

Key: B & T Beverages and Tobacco
     C.M. Crude Materials
     AUF. Animal & Vegetable Fats
     CHEM Chemicals
     MAN Manufactured Goods
     MACH Machinery

Fig. 5.2 Percentage of Exports to N.Z. by Commodity (1978)

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>Percentage by Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>COPRA</td>
<td>80</td>
</tr>
<tr>
<td>COCOA</td>
<td>60</td>
</tr>
<tr>
<td>BAN</td>
<td>40</td>
</tr>
<tr>
<td>TATO</td>
<td>20</td>
</tr>
<tr>
<td>TIM</td>
<td></td>
</tr>
<tr>
<td>O.F.</td>
<td></td>
</tr>
<tr>
<td>O.N.F.</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>

Key: BAN Bananas
     TIM Timber
     O.F. Other Food
     O.N.F. Other Non-Food

Source: Constructed from Statistics in Annual Statistical
by contrast, increased at a constant rate. The result, as one would expect of a small, developing country (as outlined by Väyrynen in the first chapter), is that today Western Samoa has a considerable deficit in its balance of trade: WSS$30 million. Of this, one third is attributable to its trade with New Zealand.¹

Other features which Väyrynen described as characteristic of a small state are also found in Western Samoa's economy: a high dependence on a few, agricultural exports; a large proportion of 'finished goods' in its import list, and a high overall dependence on trade. The concentration on one major trading partner is not so pronounced, but when individual commodities are looked at, the dependency in certain areas is more important.

**Interdependence**

As is expected in the trading relationship between a small, developing country and a larger, industrialized one, Western Samoa's dependence on New Zealand trade is not reciprocated. In 1977/78 only 0.37% of New Zealand exports went to Western Samoa, while an even lower proportion (0.11%) of its imports came from there.² It is only when the individual items are examined that any degree of dependence at all can be found.

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¹ Calculated from figures in Annual Statistics Abstract 1978.
² Calculated from figures in Dept of Statistics, Country Analyses of External Trade July 1977 - June 1978, Wellington, New Zealand. (Note: Western Samoan statistics are for calendar years.)
New Zealand's cocoa requirements are largely met by Ghana, which supplied 79% of cocoa imports in 1977/78 - compared to Western Samoa's 1.2%.\(^1\) Twenty years earlier Western Samoa had supplied 33% of NZ's cocoa,\(^2\) but the proportion had gradually decreased from 1960 onwards.

By contrast Western Samoa has been an important supplier of oil seeds, oil nuts and oil kernels to New Zealand markets for many years. It provided 30% of NZ requirements in 1977/78.\(^3\) This commodity, which in Western Samoa's case is mainly copra, today makes up over half of NZ imports from that country, compared to about 15% in the immediate post-independence period.\(^4\)

However copra really is of very little importance to the New Zealand economy and marketplace. And the fact that it is supplied by twenty-two other countries - most of whom would be able to increase their present supply to New Zealand, means that, even for this commodity, Western Samoa's value to New Zealand as a trading partner is very limited.

\section*{Access to the New Zealand Market}

Special provisions have been made to help the entry of Samoan commodities onto the New Zealand market. Western

\begin{enumerate}
    \item Calculated from figures in Dept of Statistics, Country Analyses of External Trade July 1977 - June 1978, Wellington, New Zealand. (Note: Western Samoa statistics are for calendar years.)
    \item Ibid, 1964.
    \item Ibid, July 1977 - June 1978.
\end{enumerate}
Samoa is in a particularly privileged position at the moment in that it shares with the Cook Islands and Niue the right of free entry of certain classes of goods onto the New Zealand market. The precise details of the qualifying characteristics for exemption from import licensing and duty are given in the Department of Trade and Industry's Import Licensing Schedule 1979-80, but basically they refer to the origin of the material, and the principal location of processing or manufacture.\(^1\) In this way most of Western Samoa's exports, and certainly its major ones, are eligible for free access to New Zealand's markets.

This special provision may soon be overshadowed however, by the proposed South Pacific Forum regional trade agreement. Although negotiations are still continuing (they began at the July 1979 Forum meeting in Honiora), it appears that they will soon achieve "duty free and unrestricted access to the markets of Australia and New Zealand over as wide a range of (Pacific Island) products as possible."\(^2\)

It is the 'width' of the range which will determine the real quality, and value to the South Pacific's small developing states, of the new trade agreement, although provision for periodic review and expansion will be a built-in feature. As there is an "influential body of opinion" which feels that increased exports from the small islands of the Pacific would have "negligible impact" on the

\(^1\) See Appendix H.

industries and employment situation of Australia and New Zealand, it is felt that a favourable agreement is likely to eventuate relatively soon.¹

This will put all the Forum Island countries, not just those still tied to New Zealand (the Cook Islands and Niue) and the special case of Western Samoa, in a preferential position in New Zealand's markets. And although practically all developing countries are eligible for special consideration under the Generalised System of Preferences (GSP) scheme,² the New Zealand Government has recognised its particular responsibilities and obligations to its nearest neighbours - the small developing countries of the South Pacific.

One commodity for which the Pacific Island countries have long received special access to the New Zealand market is bananas. The following case-study will examine why, despite the provisions made by the New Zealand government for the guaranteed purchase of this produce, the Island's share of the banana market today is so low.

Exports to New Zealand - Bananas

The decline in the output and export of bananas since the mid-1960's has significantly changed the composition of Western Samoa's export trade, especially with New Zealand. In 1953 over 30% of NZ's banana imports were from Western

¹ Asia Pacific Research Unit (APRU), Asia Pacific Forum: South Pacific Business Guide 1979, Wellington. p 7.
Samoa, while Fiji and Tonga supplied the remainder.\(^1\) At the same time, banana exports brought in about one third of Samoa's trade revenue. Today however, New Zealand receives under 2\% of its bananas from Western Samoa (a total of 8\% from the Pacific Islands),\(^2\) and that country earns only 1\% of its export revenue through this commodity.\(^3\)

The initial cause of this decline in banana production was the devastating hurricane of 1966. In that year the volume of banana exports dropped by 87\% (62,000 cases compared with 1965's 482,000 cases),\(^4\) and its share of the export revenue fell from almost 30\% in 1965 to a mere 5\% in 1966.\(^5\) Another hurricane in 1968, widespread disease, and reduced efforts on the part of the producers\(^6\) have made the revival of the banana industry in the 1970's a long, slow process.

Yet it is in the export of bananas that Western Samoa receives its most favourable trading terms from New Zealand. Since 1950 the importation of bananas into New Zealand has been carried out by Fruit Distributors Ltd - a company set up under an agreement with the Government for the purpose of

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4 Department of Economic Development, Second Five Year Development Plan 1971-1975, Western Samoa. November 1970 Statistic Appendix, Table III.

5 Calculated from figures in Ibid, Table I.

importing fresh citrus fruits, bananas and pineapples into the country. And at the direction of the Government, the company gives priority in its banana purchasing policy to Pacific Island fruit. Only when the Pacific Islands are unable to meet New Zealand's requirements, are bananas imported from other sources.¹

Despite this provision however, the Pacific Islands' share of the New Zealand banana market has fallen dramatically, as indicated above. At the end of the 1960's they were still supplying 70% (Western Samoa 30%)² of the bananas, but today, only a decade later, the proportion has dropped to 7.9% (Western Samoa 1.9%, Tonga 3.9%, Cook Islands 2.1%).³ While a very small part of this trend can be attributed to the rejection of low quality fruit,⁴ and a higher domestic consumption of bananas, the overwhelming cause is simply the lower level of production - in 1975 the total output of bananas was still only 56% of the average production in the years 1961-65.⁵

Both the New Zealand Government and Fruit Distributors Ltd have put considerable effort into the development of the Pacific banana industry in recent years. The NZ Department

² Ibid, p 57.
³ Dossor, pers. comm.
⁴ For example, the incident reported in The Press, 16th January 1976, of Samoan bananas being rejected because of human faeces in the ship's hold, was an "isolated incident" - Dossor.
of Scientific and Industrial Research (DSIR) has initiated an extensive programme, aimed at improving banana production, at its research station in the Cook Islands, and the recent emphasis in New Zealand's aid programme on agricultural development has naturally included the banana industry. Fruit Distributors Ltd has given grants to assist disease control and hurricane relief, and it also runs scholarships at the School of Tropical Agriculture in Western Samoa, for local students.  

The recent Asian Development Bank survey of South Pacific agriculture argued that there is much potential for re-establishing the banana industry in Western Samoa, and throughout the South Pacific. It would have to be built on fully commercial, plantation-mode management and a much higher level of technology than has been used to date, but as long as the New Zealand market was available for all they could produce, the Pacific Islands would be able to generate considerable revenue from the export of bananas — the only proviso being that the individual island governments co-ordinated their banana industry schemes so as to avoid "disorderly marketing in New Zealand."  

The Imbalance of Trade

While it is expected, from our previous discussion of

2 Dossor, pers. comm. 29th January 1980.
small state theory, that a significant imbalance of trade is likely to exist between a small, developing country and a larger, modernized one, the situation is not necessarily inevitable, or even beyond some measure of redemption. In recent years the New Zealand Government has recognized the value of "trade, not aid", and has also seen the necessity (or advantage) of creating more employment opportunities for the Pacific Islanders within their own countries. The interrelationship between these three variables will be examined more closely in the concluding chapter.

The basic requirement of a more balanced trading relationship between Western Samoa and New Zealand lies in an increase of exports from the former country and/or a decrease from the latter. This second option is more difficult to achieve: as communications and economic wealth expand in Western Samoa, the knowledge of, and demand for, Westernized goods rises rapidly. However if some degree of import substitution can be achieved, along with an increase in export commodities, the deficit in trade can be reduced to some extent. One method of achieving this objective is through the establishment of industries in Western Samoa.

Investment in Western Samoa - Government Incentives

The Western Samoan Government actively seeks and supports foreign investment. In its Industrial Free Zone

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1 In 1977/78 Western Samoa exported $3.5 million worth of goods to N.Z., but imported $12 million in return. This equals an overall deficit of $8.5 million for the year. Country Analyses of External Trade.
Act of 1974, it outlined such incentives as:

(1) complete exemption from import and export duty,
(2) exemptions from taxes on profits of export business for 5 years, and thereafter a set 25% tax,
(3) free repatriation of profits, and
(4) electric power at preferential rates.\(^1\)

Joint ventures involving local equity are encouraged but this is not mandatory. Preference is likely to be given to industries that are labour intensive, utilising some local materials, have potential for exporting, and are generally adaptable to the social, cultural, and ecological environment of Western Samoa.\(^2\)

The New Zealand Government also has recognized the value of manufacturing and processing industries to Western Samoa.

**Pacific Islands Industrial Development Scheme**

In November 1976 the Pacific Islands Industrial Development Scheme, PIIDS, was established under the auspices of the New Zealand Department of Trade and Industry. Its main objective, as outlined in the Department's publication, is

"to provide financial assistance and incentives for New Zealand entrepreneurs developing approved manufacturing or processing operations in Fiji, Tonga, Western Samoa, the Cook Islands, Niue, Kinbati, Nauru, Papua-New Guinea, the

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\(^1\) Anthony Haas, *New Zealand and the South Pacific*, p 110.

\(^2\) Ibid, p 111.
Solomon Islands and Tuvalu, with the aim of fostering economic development and employment opportunities."1

The prime consideration for the granting of government assistance is the degree of benefit that the proposal entails for the Island country, and the compliance of the venture with the wishes of the host government. This assistance is designed to provide initial encouragement for manufacturers to establish ventures, and is not seen as a continuing subsidy. The New Zealand equity interest must be at least 20% before PIIDS assistance is considered.

"The incentives offered include interest-free suspensory loans for up to 30 percent of the cost of factor plant, equipment, and buildings, and assistance for up to 50 percent of approved costs of on-the-job training, transfer of plant and key employees, and feasibility studies."2

About two years after its inception, PIIDS was broadened to include agricultural-based ventures which met with certain provisos - such as making use of under-utilised land, and including the processing or manufacture before sale of the agricultural product.

The Government also recognizes its obligation to provide "reasonable and continuing access" to the New Zealand market for the products of PIIDS-assisted ventures. Free entry for goods not produced in New Zealand is guaranteed, while those in competition with local

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manufacturers are limited to "quantities which will not unduly disrupt New Zealand industry or employment, or be in violation of our international trade obligations."¹

However, many of the PIIDS ventures do not actually send any goods back to the New Zealand marketplace. They sell their produce either in their own countries, or to a third country - which may hold up to 25% equity in the venture, if the export market is guaranteed.² Of the six industries set up in Western Samoa, for example, only one, a producer of foodstuffs dye (employing four people), is dependent on New Zealand for the sale of its commodity.³

The other four ventures (the viability of the fifth - Wisemans Bags - is somewhat in doubt)⁴ are all basically involved with import substitution. There is a paper processing industry (5 jobs created), a light engineering business (9 jobs), a New Zealand Industrial Gases operation (12 jobs - mainly involved in specialised training), and a cigarette-manufacturing factory (53 jobs).⁵

¹ Pacific Islands Industrial Development Scheme, p 9.
² Francine Porteous, PIIDS Unit, Department of Trade and Industry, New Zealand. Personal interview, 16th January 1980.
³ Ibid. This is about average over the whole scheme - six out of the 30 ventures in the Pacific export their produce to N.Z.
⁴ Ibid. Nobody was sure what the actual situation regarding receivership etc. was.
⁵ Ibid. An internal, up-dated outline and assessment of the PIIDS ventures was given to the author.
Multi-National Companies in Western Samoa

The establishment of the Rothmans cigarette factory has aroused a major controversy in Western Samoa, and has caused a few ripples in New Zealand also - especially as it involves $200,000 of bilateral aid money as well as the PIIDS concessions and incentives. There have been two main areas of contention. One, that a large and profitable multi-national company like Rothmans should be allocated any funds at all from New Zealand's limited budget for aiding developing countries, and two, that the venture which is so benefited, should be producing such arguably detrimental goods as cigarettes.¹

Rothmans' representatives claim that Samoan smoking is increasing anyway so the people might as well smoke more to their own economic advantage (it will be 40% Samoan owned), and they argue that the savings in foreign exchange and the employment opportunities created make the factory a very beneficial venture for the whole country. Also, the company plans to diversify its operations - such things as umbrellas, tents, and coffee have been suggested - and it therefore will continue to advance the overall economic development of Western Samoa.

Opponents of the scheme criticise it on both moral and economic grounds. A War on Want investigation into tobacco companies' activities in the developing countries has bluntly labelled these activities as 'death-peddling',

¹ All Rothmans material from Vernon Wright, "Tobacco Barons in Paradise", The New Zealand Listener, 9th December 1978.
while economists have questioned the true commercial value of the venture. As the tobacco leaf grown in Samoa is unsuitable for cigarettes, this basic component will have to be imported, and the cost of this, along with the importation of raw materials, plant and machinery, profit repatriation and a degree of salary repatriation, means that the savings in foreign exchange may easily be negated.

Another multi-national company which is operating in Western Samoa through its New Zealand division is Glaxo Laboratories Ltd. And it too has received much criticism lately - both from Western Samoans themselves and from New Zealanders, for its actions, or lack of them, as described below.

The world's major infant milk formula makers recently agreed to stop advertising their product in Third World countries because of continued reports citing bottle feeding as one of the prime contributing factors to the high rate of infant mortality there.¹ Glaxo Laboratories (N.Z.) Ltd however, have not followed this lead, and are continuing to promote their formula milk powder in Western Samoa and elsewhere, despite a report by a paediatrician at the National Hospital and a nutritionist from the Health Department in Samoa, that malnutrition and gastro-intestinal infections appear to be linked to the widespread use of milk powder for feeding babies.

While the report points out that breast-milk is

¹ For example, Dr M. Latham and Mr E. Greiner of Cornell University did a study for the Protein Advisory Group of the United Nations. _The Press_, 7th November 1979.
nutritionally superior to milk-powder formula, it stresses that much of the problem of the artificial substitute stems from improper use:

"Until Western Samoan villages have clean good water supplies, refrigeration in all homes, sufficient education for mothers to properly understand how to mix artificial milks and above all enough money to afford enough milk powder, the Health Department must strongly discourage all activities that might encourage women to feed their infants artificially."

In a situation where the lowest price milk formula on the market costs approximately one tenth of the basic labourer's wages when the baby is first born, and about one quarter of the wages when it is 6 months old, the mother will attempt to economise by over-diluting the formula, often with contaminated water. The resulting malnutrition, if it doesn't kill the baby, may lead to both physical and mental retardation.

Glaxo, naturally enough, has defended its position. It has, at the request of the Samoan Health Department, replaced English-language labels on its baby milk powder tins with Samoan-language labels which warn against the dangers of misuse and poor hygiene, and it has promised to stop promoting its product if the Department insists. It points out, however, that its advertising does stress that breast milk is best, and, inasmuch as the Department itself can't afford to do this, Glaxo provides a valuable public service.

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1 Quoted in The Press, 7th November 1979.
2 Ibid.
While this particular product may be more obvious, and more crucial, than the rest, the real issue lies in the whole area of imported versus indigenous foodstuffs.\(^1\) As long as the glamour, the ease, and the availability of foreign food remain, the wastage of land, labour, and other native resources will continue.

**Conclusion**

As the theories of small, especially small developing, states predict, Western Samoa is relatively dependent on trade for its overall economic survival, is prone to having a serious deficit in its balance of trade, and is very dependent on one or two commodities for its export earnings. Only in the aspect of the number of trading partners does Western Samoa show any significant deviation from the models outlined in Chapter One.

New Zealand, while holding the dominant position in both the import and export fields, is by no means in total control of Western Samoa's trading patterns and relationships. The smaller country trades with many other nations,\(^2\) and can take advantage of the Generalised System of Preferences Scheme operated by many developed countries whereby the Third World nations gain preferential access to their markets. And, in addition, Western Samoa, as a Commonwealth country, has special privileges within the EEC since Britain joined in 1973.

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\(^1\) See pp 26-27.

\(^2\) See Appendix F.
However New Zealand, by virtue of its geographical position and historical association, is the primary focus of Western Samoan trade. Most ex-colonies continue to direct the bulk of their trading towards their former colonial powers long after political independence has been achieved (New Zealand is a prime example), because of familiarity and established norms; and the physical proximity of New Zealand to Western Samoa, as well as the freight links between the two countries, serves to entrench this pattern.¹

Western Samoa could probably sell more of its produce to other countries if the New Zealand market collapsed, but it would then be competing from an equal position with all other developing countries, rather than from the special position it holds in New Zealand's trade relationships.

That there should be a serious trade imbalance between the two countries is almost inevitable. Western Samoa, as a small, developing nation seeking economic development, needs many of the goods and services provided by the larger modern country, yet it does not have much to offer in return. However, New Zealand is endeavouring to remedy this situation somewhat, by providing special incentives for its people to establish industries (both import substitution and export-earning) in Western Samoa.

Investment by developed countries, or multi-national companies in the Third World nations, is subject to much

¹ Lack of space prohibits a discussion of transport links - while they are not very satisfactory, they are the best Western Samoa has.
criticism and debate. The actual economic benefit to the latter country is often questioned while the social and cultural implications of foreign interference and control are almost universally abhorred.

Overall, however, in Western Samoa today, the strong nationalistic feelings of the people, coupled with historical and economic factors, have resulted in a relatively 'independent' economy in the sense that it is not subject to the control of any single country or company. By actively encouraging investment and aid from, and trade with, many different countries, the Samoans have endeavoured to keep their range of options open as much as possible. If any single country was to be named as the most important to Western Samoa's trade, then it would be New Zealand, but, as the next chapter will show, this country is more important in relation to the migration and employment-overseas of Samoans.
CHAPTER SIX

MIGRATION

The importance of New Zealand as a destination for both permanent and temporary migrants from Western Samoa will be considered in this chapter. A history of the migrant flow and the approximate numbers involved will begin the discussion.

New Zealand's official policies and laws on migration will be outlined, followed by a special consideration of those related specifically to Western Samoans entering the country. The 'overstayer' issue will be particularly emphasized in order to later (in the next chapter) assess its effect on the overall, political relationship between the two countries. Finally, the importance of migration, as a method of relieving population pressure and as a source of remittance income, to Western Samoa as a small developing country, will be examined.

A History of Samoan Migration to New Zealand

Western Samoa experienced a net loss of migrants in each intercensal period from 1906 to 1956.1 Up to the 1940's, the outward movement included numbers of indentured labourers who, in accordance with government policy, were

being returned to their native countries. The remainder of the departures consisted largely of Samoans and part-Samoans going to New Zealand for further education or for permanent residence, and of Europeans who were mainly New Zealand seconded officers and their families returning home.¹

In the period immediately after the Second World War however, the numbers of migrants increased dramatically. The presence of American troops in the country after 1942 had brought "boom conditions" with the ready availability of both jobs and money, and had introduced many Samoans to the attractions of Western-style living.² This increased awareness of the educational and employment opportunities available overseas, as well as the lure of the 'bright lights' of city life, induced many Samoans to travel to New Zealand and elsewhere in the early post-war years.

The New Zealand Census of 1945 lists 592 persons in the country who were born in Western Samoa, a rise of only 428 since the 1921 census. By 1956 however the number had risen to almost 3,000 - a five-fold increase in only 11 years.³ But it is not the actual numbers so much as the racial composition of the post-war migrant stream which is the most significant factor. In 1945 the vast majority (92%) of those who were born in Samoa but living in New


Zealand were of "Mixed-blood" status. In 1956 by contrast, over one-third (38%) of them were classified as "Full-blood Samoans."¹

Pitt and Macpherson attribute this change partly to the fact that before the war, it was those people who identified themselves as European, rather than as Samoan, who left the country, while afterwards, this motive for migration was much less predominant.²

Another, later change in the composition of the migrant population arriving in New Zealand was that related to the particular place in Western Samoa from which the migrants had come. The early migrants almost all came from Apia. It was here that they could acquire the language, education or occupational skills which made it easier to obtain an entry permit, and here also, they could earn the money for the relatively large fare.³

In the late 1960's the patterns of migrant places of origin began to change, reflecting the effects of chain migration. The first immigrants had needed Apia as a "jumping board",⁴ but their relatives could then easily be recruited from the villages. The strong family ties basic to Samoan society stimulated the desire to migrate and the family network in New Zealand helped in the actual process

² Pitt and Macpherson, p 11.
⁴ Ibid, p 11.
of migration - with passage money and permits before departure, and housing or jobs on arrival. In this way people from every part of Western Samoa are migrating to New Zealand today.

As well as the family-reunification reason for migration, education provides a major incentive for Western Samoans to come to New Zealand. The attainment of some type of formal schooling has been highly valued in Samoan society since the arrival of the missionaries in the 1830's, and the better facilities and opportunities for education in New Zealand attract many Samoans to that country.

Another of New Zealand's major advantages in Samoan eyes is the potential it offers for economic rewards. For the short-term migrants, on temporary work permits, this is virtually the only incentive for migration, while those intending to reside in New Zealand permanently usually believe that their standards of living there will be higher than in their own country. The whole issue of remittances - money sent by Samoan migrants back to their relatives at home - will be discussed later in the chapter.

The excitement and 'bright lights' of modern city living also, appear very attractive to the young rural inhabitants of Western Samoa. The age-old lure of adventure and 'the unknown' in the larger, more sophisticated world, and the prestige and maturity this gives a returned traveller makes the movement to New Zealand, even for only a short period, a highly desirable option within the

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1 Pitt and Macpherson, p 13.
2 Davidson, Samoa Mo Samoa, p 83.
limited range open to the majority of Samoans.

In general, the people of Western Samoa are relatively well provided for within their own country.\(^1\) There is little starvation or real poverty, although the shortage of employment opportunities is becoming a major problem. However, to the extent that the Samoans wish to participate in a modern, monetary economy and to enjoy the advantages - real or imagined - that this lifestyle can bring, they will continue to wish to migrate to New Zealand and other larger developed countries.

In recent years the total number of migrants from Western Samoa has decreased. In the early 1970's numbers rose rapidly - from 3996 in 1969/70, to 9222 in 1973/74 - but they have since steadily declined to a low for the decade, of 3768 in 1978/79.\(^2\) This reflects the New Zealand government's new policy of strictly enforcing its immigration laws with respect to temporary migrants, as will be discussed in a moment. Table 6.1\(^3\) shows the decline in their numbers over the last eight years.

Table 6.1 Numbers from Western Samoa Arriving in New Zealand for Temporary Employment.

<table>
<thead>
<tr>
<th>Year ended 31st March</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>1986</td>
</tr>
<tr>
<td>1973</td>
<td>2277</td>
</tr>
<tr>
<td>1974</td>
<td>3303</td>
</tr>
<tr>
<td>1975</td>
<td>3173</td>
</tr>
<tr>
<td>1976</td>
<td>564</td>
</tr>
<tr>
<td>1977</td>
<td>130</td>
</tr>
<tr>
<td>1978</td>
<td>116</td>
</tr>
<tr>
<td>1979</td>
<td>64</td>
</tr>
</tbody>
</table>

\(^1\) Pitt and Macpherson, p 12.


\(^3\) Ibid.
However, as far as permanent migrants are concerned, the numbers have slowly, if erratically, risen. In 1969/70, 210 Western Samoans (by country of birth) entered New Zealand as 'Immigrants intending Permanent Residence'; in 1972/73 the number dropped to 79, but it has gradually increased since then to reach 756 in 1978/79.\(^1\) While this would appear to be well below the New Zealand quota of 1500 new permanent Western Samoan residents per year (see following discussion) the number of those who entered the country on temporary permits but have since been granted permanent residence must also be considered. In 1974/75 for instance, in the midst of the 'overstayer' issue, only 321 new migrants entered the country,\(^2\) yet, in total, 1394 Western Samoans were accepted as permanent New Zealand residents in that year.\(^3\) Table 6.2\(^4\) shows the number of Samoans (by stated ethnic or racial origins) resident in New Zealand over the last hundred years. The comparative figures for the last five censuses for those born in Western Samoa reveal the importance of natural increase, as opposed to migration, in accounting for growth in the Samoan community in New Zealand today.

\(^2\) Ibid.
\(^3\) NZPD, Vol. 407, 26th October 1976, p 3310.
\(^4\) Pitt and Macpherson, p 119.
Table 6.2  Samoans resident in New Zealand

<table>
<thead>
<tr>
<th>Year</th>
<th>By ethnic origin</th>
<th>By birthplace&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1874</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>1878</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>1881</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>1896</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>1901</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>1906</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>1916</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>1921</td>
<td>164</td>
<td></td>
</tr>
<tr>
<td>1936</td>
<td>362</td>
<td></td>
</tr>
<tr>
<td>1945</td>
<td>716</td>
<td></td>
</tr>
<tr>
<td>1951</td>
<td>1336</td>
<td></td>
</tr>
<tr>
<td>1956</td>
<td>3740</td>
<td>2996</td>
</tr>
<tr>
<td>1961</td>
<td>6481</td>
<td>4450</td>
</tr>
<tr>
<td>1966</td>
<td>11842</td>
<td>7447</td>
</tr>
<tr>
<td>1971</td>
<td>19 540&lt;sup&gt;b&lt;/sup&gt;</td>
<td>12 354</td>
</tr>
<tr>
<td>1976</td>
<td>27 876&lt;sup&gt;b&lt;/sup&gt;</td>
<td>19 711</td>
</tr>
</tbody>
</table>

<sup>a</sup> 1976 Census of Population and Dwellings - Birthplaces and Ethnic Origin, p 5.

<sup>b</sup> Ibid, p 10.

A discussion of New Zealand's general immigration policies and laws will come next, with a special consideration of those relating specifically to Western Samoans.

**Official New Zealand Policy: Permanent Migration**

"It is universally acknowledged that every country has the right to choose who will cross its borders, the choice usually being dictated primarily by local economic and social conditions."

With these words the Immigration Division of the Department of Labour begins its most recent (October 1978) statement of current immigration policy<sup>1</sup> and, in so doing,

emphasizes the importance of domestic criteria in the formulation of this policy. The entry of permanent migrants into New Zealand is controlled and selective in order to attain the main objective of the migration policies - "to promote improvement of the quality of life and living standards of all New Zealanders," although building up the country's resources of skilled labour is also an important goal.

To this end then, there are three main categories in which applications for permanent entry "may be favourably viewed". Entry on family reunification grounds provides for the entry of people who have close family ties with someone already living in New Zealand, while entry on humanitarian grounds allows for the acceptance of refugees and other people whose "circumstances are significantly worse than those of others in their community."

The third category, entry on occupational grounds, is the one most geared to protecting the lifestyle and livelihood of those already resident in New Zealand. It gives preference to those applicants for permanent entry who have skills and qualifications which are in short supply and which are particularly advantageous to the development of the New Zealand economy. Most of the people who enter the country on occupational grounds are from the "traditional source" countries of Western Europe, the United Kingdom, the United States of America and Canada, where the vocational training systems are similar to those of New Zealand.

Arising out of an agreement entered into at the
World Employment Conference of 1976, New Zealand does not recruit skilled people from developing countries which themselves have a current or potential need of these people's skills.

Generally speaking, all prospective migrants must be between 18 and 45 years of age and not have more than four dependent children. They must have suitable employment and long-term accommodation pre-arranged, and must all (i.e. the family unit) travel to New Zealand together. All persons over the age of 12 are required to undergo a full medical examination, and must be of good standing and character.

Official New Zealand Policy: Temporary Migration

Non-working visitors and tourists are generally permitted to enter New Zealand with a minimum of immigration formalities. As long as they are in good health, possess a valid passport and onward or return tickets to a country to which they have a right of entry, and produce evidence of sufficient funds to maintain themselves during their stay, they are given entry to the country for six months, or for up to a year with extensions.

However, having entered New Zealand under these conditions, it becomes an offence for a person to undertake employment without having specific authority to do so.\(^1\) Only those migrants who have been issued with work permits, either before or during their stay in New Zealand, are

\(^1\) True only since 1 January 1978 when the Immigration Amendment Act 1977 came into force.
eligible to work. In 1977/78 only 1% of arrivals were officially allowed to work during their stay in the country.

The problem of temporary migrants, particularly Pacific Islanders, overstaying their permitted time in New Zealand, and of their illegal working in the country will be discussed in a moment. The history of restrictions on the type and number of migrants from Western Samoa allowed into New Zealand will be considered first.

Restrictions on Samoan Migration to New Zealand

Although the Samoans have been required since 1920 to have an entry permit before coming into New Zealand, it was not until 1955 that there was any restriction on their numbers. In that year the New Zealand Government instituted formal limits in order to "safeguard against certain undesirable futures" which had arisen in regard to Samoan immigration.

The acute housing shortage in New Zealand had led many Samoans and other Pacific Islanders to occupy sub-standard housing, and overcrowding was common. Additionally, the problem of winter employment among unskilled workers in the country meant that Samoans often found it difficult to find work. The new measures taken therefore, were

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1 In 1920 the first entry permit system was introduced in New Zealand. Only those of British birth and parentage whose ancestry was European were allowed unrestricted entry. Labour and Employment Gazette, 26, No. 2 (May 1976). p 5.

"in no sense a change in policy in respect of admission of Samoans, but were taken in the interest of public health, employment and housing opportunities for the migrant."  

The new policy divided Samoan immigrants into two classes. Those who came on a visit for three months or less were issued visitors permits on a most liberal basis, subject only to the condition that they had a return passage booked and paid for. Those who wished to remain longer however, were regarded as potential permanent residents and therefore had to be of good health and character and were required to have guarantees of employment and of adequate and long-term accommodation. The initial permit was for six months, with extensions granted until, at the end of five years, permanent residence status was given if the immigrant's behaviour had been satisfactory.  

Although it was never officially announced at the time, a limit of 1500 was put on the number of Western Samoans entering the country as permanent migrants. About this number have been accepted annually under the "continuing residence scheme" in the 25 years since its institution, although the limit has since (1979) been reduced to 1100. However, in recent years, they have not all entered the country under the terms of the second permit, but rather have outstayed their initial three-month visas and, in winning their appeals against deportation,

2 Ibid.  
have been given permanent resident status. The "overstayer" issue demands special consideration.

Overstayers

The Samoans entering New Zealand on three-month visitors permits had been illegally working during their stay there almost as long as the system had existed.

"The objective of these visitors was to earn sufficient money while in New Zealand to recoup their costs and to take back with them savings which they could use themselves or apply to community projects."¹

Gradually however, rising costs for fares and for accommodation and other necessities in New Zealand reached the stage where the three months allowed to the visitors was insufficient for them to cover their costs and have a reasonable amount left over to take home. Consequently they overstayed their permits in increasing numbers.

"A strongly felt sense of shame made it difficult for many, impossible for some, to return without something to show for their experience."²

Until the mid-1970's the New Zealand government did little to alter this situation. Firstly, the Immigration Division of the Department of Labour had always been understaffed, and lacked the resources to enforce the regulations, and secondly, the relatively rapid expansion of industry,

¹ Labour and Employment Gazette, p 6.
in the early 1970's especially, meant that employment opportunities for unskilled workers were plentiful and, indeed, many industries admitted their dependence on island labour.

"In the face of full employment and rising exports successive governments turned a blind eye and thus tacitly condoned overstaying as a way of life." ¹

With the onset of the 'oil crisis' towards the end of 1973 and the ensuing downturn in the economy however, the employment situation tightened. In the face of rising numbers of unemployed the Labour Government saw part of its solution in the return of hundreds of illegal immigrants to their island homes.

So, early in 1974, the police, in conjunction with the Immigration Division, began to arrest and obtain deportation orders against people, mainly Tongans and Samoans, who had overstayed their permits. ² There were some 'dawn raids' ³ but these were discontinued as a result of a public outcry alleging racial discrimination and a breach of civil liberties. On 1st April the Prime Minister, Norman Kirk, announced a stay of proceedings, and overstayers were granted a limited form of amnesty, mainly from

² Ibid.
³ So-called because police and immigration officials would call on the homes of suspected overstayers in the very early hours of the morning in an effort to ensure that they would be at home.
prosecution, if they registered with the Department of Labour.

In the following months hundreds of Pacific Islanders returned home 'voluntarily', although the departure deadline was extended for some of them "in order to give (New Zealand) manufacturers a chance to replace key workers."\(^1\) A number failed to leave however, and were subsequently deported - 121 in 1974 and 250 in 1975\(^2\) - or re-registered in 1976.

While the island governments obviously disliked this new aspect of New Zealand's immigration policies, they accepted it much more readily than they did subsequently in 1976. The personality of Norman Kirk, who was liked and trusted by Pacific Islanders, was partly responsible for this, but the Labour Government was also assisted by other factors:

"...the island economies were, in relative terms, enjoying an all-time 'high' and were thus better able to absorb the returning Islanders; aid from New Zealanders had increased rapidly in the early 1970's and had generated employment as well as goodwill; copra prices reached record levels; remittance income was high; and the tourist boom was on."\(^3\)

In 1976 however, the new National Government was not assisted by such factors, and its methods of seeking out overstayers were severely criticised. The resumption of 'dawn raids', along with the introduction of random checks

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\(^1\) Macdonald, p 11.


\(^3\) Macdonald, p 12.
of Pacific Islanders on the streets, brought widespread protests from the whole of the South Pacific (including many in New Zealand).\footnote{Macdonald, p 12.} Claims of racial selectiveness in the random checks were denied by the Government but as Mr McCready, Minister of Police, put it "...if you have a herd of Jerseys and two Friesians, the Friesians stand out."\footnote{Ibid, p 13.}

And as far as the dawn raids were concerned, the Government justified these on the grounds that many of the overstayers, who were, after all, "illegal immigrants", could not be definitely found at home at any other time than in the early morning; and Minister of Immigration, Mr Gill, explained:

"If we waited on the convenience of the suspect, a good many illegal immigrants would never be apprehended... We aim to be considerate, and we are looking for ways of further refining our approach."\footnote{New Zealand Foreign Affairs Review, Vol. 26, No. 2 (February 1976) p 37.}

However Mr Gill was not really sure why so many Polynesians were prosecuted as overstayers when a 1977 computer printout of expired visitor and work permits showed that, of the 3641 persons who had stayed beyond their allotted time in the preceding 12 months, 40\% of them were other than Pacific Islanders.\footnote{Ibid, Vol. 27, No. 4. October-December 1977.} He cited two possible reasons for the high proportion of Samoan, Tongan and Fijian
overstayers among those prosecuted: (1) "they tell tales on one another", and (2) unlike those visitors from Great Britain or the United States, the Islanders often came to New Zealand with very little cash; therefore they had to find employment, and it was through their jobs that they were detected.¹

As in 1974, the Government granted a 'stay of proceedings' and opened a register for overstayers in April 1976. By the following April, 5381 people had registered and had had their cases considered by a specially established departmental committee. Of this number, 3712, or nearly 70%, were provisionally accepted for permanent residence in New Zealand.² This figure included 3659 nationals of Fiji, Tonga and Western Samoa, and 55 nationals of other countries. The proportions of those who were declined were almost identical, with 1650 and 19 being the respective numbers concerned.³

While the issue of the 'overstayers' is no longer in the public eye, the problem itself has not disappeared, and, in the case of the Western Samoans, had not even diminished. In July 1978, of the total of 4898 persons residing in New Zealand whose temporary permits had expired, 1093 (22%) were from Western Samoa.⁴ This is in spite of the New Zealand Government's introduction of Temporary Work Permits and

⁴ NZPD, 31st August 1979, p 3094.
1-month visitor's permits in an attempt to reduce the numbers of Pacific Islanders illegally staying, and working, in the country.

**Temporary Work Permits**

In an effort to provide some compensation to the Island governments for the return of hundreds of their people under the stricter enforcement of the New Zealand immigration laws, the National Government revised and extended the Temporary Work Permit Scheme introduced by the former administration. In January 1975 the Labour Government had instituted a scheme whereby Tongan nationals could obtain permits to work in New Zealand for limited periods - 4 months, with a 2 month extension at the discretion of their employer - in response to specific job offers (and accommodation guarantees).

National, in consultation with the Island governments, enlarged the scheme to include both Fijians (in February 1976) and Western Samoans (June 1976), and extended the time limit to 6 months, with the possibility of an additional 5 months if the employer agreed.\(^1\) The Government also established a special loan fund for employers to help them in advancing the air fares of workers recruited under the scheme, and agreed to help them find accommodation for the new arrivals.

With the introduction of this scheme, the non-working visitors' permit arrangements with the three countries was

reduced to one month as part of a package designed to protect the official work schemes. These short-term visitors have to produce evidence of return tickets and guaranteed accommodation and means of support ($250) while in New Zealand, in order to prevent the necessity of them obtaining employment there.

Mr Gill said that he was confident that the revised arrangements would lead to a steady increase in the recruitment of Pacific Island workers, and that the extra earning capacity allowed by the longer permit period would be of great benefit to both the individual worker and his home community.

"The changes demonstrate the Government's desire to foster the work permit schemes, both as a means of assisting employers throughout New Zealand and as indirect aid to the economies of our Pacific neighbours." 

Other observers however, are much more sceptical of the value of the scheme and postulate that it is the New Zealand employers and government, rather than the Islanders, who are actually gaining the real benefit. By using temporary migrant labour in times of economic expansion, employers can dampen market pressure for increasing wage rates, while reducing the number of permits issued in times of recession allows the government to 'artificially' lower the unemployment level. There were claims that

1 Department of Labour, Report AJHR, G-1, 1976. p 11.
2 Ibid.
"..Pacific Island workers are being used as scapegoats for New Zealand unemployment problems...(and that) it is Government policy to use Island labour as a recession buffer."1

Successive governments have defended the scheme as a method of protecting both New Zealand and Island workers:

"It is the Government's policy that our immigration policy safeguards employment opportunities for New Zealanders, and in times of recession it can be expected that the number admitted to New Zealand from overseas is curtailed to the employment demand... the Island... (governments have) welcomed the formulation of arrangements for their people to come to New Zealand with work and accommodation guaranteed under a self-regulating system."2

However some critics believe that the New Zealand government and employers are benefiting through the scheme in another way also - a way which is unrelated to the actual numbers involved. By employing temporary migrants, they argue, the country is saved the cost of the infrastructural, educational, health and other services which the dependents of the permanent migrants would demand. In this way the taxes on company profits are held down and the government's burden somewhat relieved - at the expense of the Pacific Island countries.3

While the fact that New Zealand benefits from the temporary migrant worker scheme is not necessarily bad, and, actually, is desirable, whether or not the Fijians,  

3 de Bres et al., pp 9 and 10.
Tongans and Western Samoans are similarly advantaged is open to some doubt. The money that both these workers and the permanent migrants send home is unquestionably very well received, but its effect on the economy as a whole is not so valuable.

The Effect of Emigration on Western Samoa

In Chapter One, migration was cited as a popular option for the inhabitants of small, especially small developing nations. As the population increases and the pressure on land, jobs and other resources rises, both the government and the individual in the small state can readily appreciate the advantages of emigration. And if those who do leave send back money - remittances - to their families, the benefit to the country is two-fold.

In Western Samoa's case the remittances from both temporary and permanent migrants in New Zealand and elsewhere form a significant part of the national income. Although exact figures are very difficult to obtain since New Zealand money is freely negotiable in Samoa and therefore is often simply, if illegally, posted directly there, some estimates have been made. Pitt and Macpherson quote an official Samoan source which valued remittances from New Zealand at "nearly one million dollars" for 1970, while a United Nations advisor for the Department of Economic Development

in Western Samoa put the figure at $1.6 million for 1972. ¹

The Asian Development Bank's survey of Pacific agriculture also included an estimate of Western Samoa's total remittance income: WS$3.77 million in 1976, as against commodity earnings (by far the bulk of the rest of the revenue) of WS$5.6 million.² Even if the figures are not exactly correct, the magnitude and importance of this return from Samoan migrants is immediately obvious. The consequences of a reduction by the New Zealand Government in the numbers of Samoans allowed into the country - either temporarily or permanently - would have disastrous effects at every level.

For this reason, the return to their own countries of hundreds of overstayers, combined with the cut in the allocation of entry permits to New Zealand, has created severe difficulties for the Island governments. Not only has a significant source of remittance earnings been cut off, but also, a large number of employment opportunities have disappeared. The difficulty of finding jobs for its young people is one of the small state's major problems, and emigration used to provide part of the solution.

In 1976, at the height of the overstayer issue, the Prime Minister of Western Samoa was quoted as saying: "The unemployment problem is very bad, so the infusion of even a few more people will complicate matters".³

² ADB, Survey of Pacific Agriculture 1979, p 114.
while the Deputy-Leader of the Opposition, Mr Tizard, saw the matter in a wider context:

"The Pacific Islanders are very traditional and can see a threat to their way of life if large numbers of overstayers are returned at one time. The economy would be upset, because there would be few employment opportunities; their social structure would be upset by the dissatisfaction of the unemployed returned overstayers; and in some cases there would be a threat to political stability." ¹

In some ways though, it is potentially beneficial to Western Samoa in the long term, that the level of remittance income from overseas is reduced. By building a dependence on this source of revenue into the heart of its economy, the ability of the country to control its own resources was being significantly lessened. And in times of recession, when the economy was suffering anyway, the cut in the number of temporary migrant worker permits, as well as in the remittances from overseas, was doubly hard to absorb. ²

Migration has other detrimental effects on Western Samoa. Those who leave the country as permanent migrants tend to be the young, educated, and enterprising section of the economy. In 1977/78 for instance, of the 780 Western Samoans who entered New Zealand as permanent or long-term residents, half of them were in the 15-24 years age group, while a further 28% of them were between 25 and 44 years old. ³

² de Bres et al., p 15.
Actual official figures are not produced by the Western Samoan Department of Statistics although it is planning to draw up "a list of Samoans, living overseas, indicating their skills",¹ in order to gain some indication of how serious the problem is. However New Zealand does have the policy, as mentioned earlier, of not placing a skill or occupational requirement on its migrants from the developing countries in an effort to prevent this 'brain drain'.

But although New Zealand has restricted the numbers of Western Samoans entering the country, the smaller country is still highly dependent on New Zealand for employment opportunities for its rapidly growing population. The temporary migrant work scheme is very important to the economic, and social, well-being of Samoa, while the permanent migration of Samoans to New Zealand provides both an outlet for some of the population, and a source of remittances for those left at home.

The Asian Development Bank's survey believes that migration is the only long-term solution for a small country like Western Samoa:

"In the absence of migration, the natural resources of Western Samoa will not be sufficient to support the future population at the standards of living to which they currently aspire.... The export of services, through migration, will be a key factor in the government's attempts to maintain a viable balance of payments position without large amounts of external assistance."²

¹ Western Samoa Second Five Year Development Plan, p 13.
² ADB, p 378.
In other words, only through migration - both permanent, to relieve population pressure in the long term, and temporary, to provide jobs and income immediately - will Western Samoa be able to support its rapidly growing population. The survey argues that Western Samoa is too small to support a viable industrial economy, that the population is no longer content to settle for the traditional lifestyle and subsistence standard of living, and that therefore, money must be sent in from overseas in order to let the people attain the way of life to which they aspire.

Of course this raises the vital question of whether or not it is realistic to attempt to provide the benefits of a modern, industrial life in a small, developing country, by artificially pumping in funds - through remittances, aid, investments etc. But, the alternative, to leave the poorer countries at their subsistence levels, is unacceptable to many who live there, and cannot justifiably be imposed on them by the developed countries. However this is a vast subject and cannot be further discussed here.

But it does serve to show how important it is that all of the three factors discussed separately so far - aid, trade and investment, and migration - be considered as highly interrelated aspects of the one single topic. If a realistic assessment is to be made of Western Samoa, as a small state in itself, and in its relationship with a larger state, New Zealand, then it must be envisaged as one complete unit and not as a set of isolated statistics and relationships.
CHAPTER SEVEN

CONCLUSION

The first task of this conclusion is to consider the interrelationship which exists between the three main areas of this study - aid, trade and investment, and migration. These factors have been considered somewhat in isolation up to now, but they must be integrated at this point if any viable conclusions are to be drawn concerning the conformity of Western Samoa itself, and its relationship with New Zealand, to the small state theory outlined in the first chapter.

The association between aid and trade has already been referred to with regard to the tying of aid grants to the purchase of the donor country's goods and services. This is seen by some as highly undesirable and detrimental to the welfare of the recipient country, while others see it as "enlightened self-interest". Surely, the latter school argue, it is only logical that the expenditure of New Zealand aid money should benefit the manufacturers, consultants and contractors of New Zealand, rather than those of other developed countries.

1 See p 68.


However there is another aspect of the connection between these two components of a country's foreign relations: the substitution of one for the other. 'Trade not aid' is a phrase often used by the peoples of both the developed and the developing nations, and it reflects a wide range of feelings and objectives.

In the first place, the value of foreign aid as such has been seriously questioned. After all, the world's poorer nations have been receiving vast quantities of aid for over two decades now, and the living standards of most of their populations are no better than they were before. As Dostoievsky wrote: "Charity corrupts giver and taker alike, and what is more it does not attain its objects as it only increases poverty."¹

Alternatives to aid, or maybe just to the type of aid or sector on which it is spent, must be considered if true economic and social development is to occur in the contemporary Third World countries. The direction of monetary assistance must focus on the formation of long-term, self-help projects for these countries. Only in this way will they be capable of eventually achieving some form of economic independence.

As Tupuola Efi, Prime Minister of Western Samoa, says:

"Some of our constituents say 'Let's retain our dignity and reject the aid'.... (but) realistically, it is better to draw on aid to ensure that we become less dependent... so that within the foreseeable future we can have a fair measure of economic independence."²

¹ Quoted in Bhattacharya, p 25.
² New Zealand Herald, 11th February 1977.
Many observers believe that for Western Samoa, and for other poorer nations, the way to achieve this 'economic independence' is through the development of trade. By actually earning, rather than passively receiving, the money entering the country, the developing nation can achieve a greater degree of control over its income, while at the same time retaining its dignity and self-respect.

In recognition of this objective then, the New Zealand Government has, in recent years, focused its attention on the development of both agriculture and industry as potential export-earners. By encouraging New Zealand manufacturers to set up ventures in the Pacific Islands under PIIDS, the Government hopes to expand the volume and range of Western Samoa's exports while at the same time providing some degree of import-substitution.

However, while this expenditure may make some progress towards an improvement in the balance of trade situation, it will probably be largely negated by the increased demands of the general population for Western commodities and services. The importation of modern technology and equipment is necessary for the development of a modern economy, but to the extent that the imports are orientated towards consumption rather than towards the production of exports or import-substitutes, no real overall progress will be achieved.

The PIIDS scheme exemplifies the close integration which exists between the trade, investment and migration aspects of Western Samoa's relationship with New Zealand. The investment of money in export-producing or import-
substituting industries helps the government of the smaller country not only to improve its trade balance but also to provide jobs for its rapidly expanding population. And this latter factor is seen as compensating to some degree for the reduction in the number of Western Samoan migrants allowed into New Zealand.

Mr Adams-Schneider, as acting Minister of Foreign Affairs in October 1977, explained the situation thus:

"Through our aid programme... and the Pacific Islands Industrial Development Scheme, the Government is working with the Island States to help them boost productivity, to create new jobs, and to expand the opportunities available for people in their home countries, thereby offering people a real alternative to having to leave their homes in search of work."\(^1\)

However, apart from the fact that many Samoans are very willing to leave their own country - even if only for a short period, the number of jobs created under PIIDS ventures (83 to date)\(^2\) and through the various aid projects, cannot hope to reach the numbers who formerly travelled to New Zealand for work. With the return of the hundreds of overstayers, and the reduction in the number of migrants - both permanent and temporary - to New Zealand, the Island governments are faced with severe unemployment problems.

And these restrictions on migration affect the Samoan economy in another way also. As outlined in Chapter Six, in the past, the money sent back by those Samoans residing overseas has played an important role in helping the

\(^1\) NZPD, Vol. 414, 6th October 1977, p 3445.
\(^2\) See p 114.
individuals at home to maintain their standards of living, and the Government to counter its trade deficit. The recent reduction in remittances and in the number of temporary migrants returning home with their savings has resulted in a significant drop in the income of the majority of Samoans.

It appears then, that despite an increase of formal aid commitments to Western Samoa in recent years, the New Zealand Government has not increased its help to the 'average' Samoan. For, while the benefits of remittances were spread fairly evenly around the country, the aid projects, as discussed in Chapter Four, do not necessarily fare so well in this respect.

And the implications of the 'overstayers' issue have rebounded far beyond the economic and social pressures that the Western Samoans experienced as a result. The whole relationship between New Zealand and Western Samoa has been placed under severe strain by the (allegedly) racialist and discriminatory actions on the part of police and immigration officials. It was not the ejection of illegal immigrants that worried the Samoan Government so much as the method by which it was done.¹

Tupuola Efi's statement at the time emphasizes the degree to which his government considered the expulsion of overstayers from New Zealand as an unforgivable action, which could not be compensated for by other conciliatory measures:

¹ Personal interview with T.F. Toleafoa, Western Samoan Deputy High Commissioner to New Zealand. After all, Western Samoa itself has very restrictive immigration laws.
"If New Zealand goes ahead with ejection plans it will lose Samoan goodwill which... (will) not be recovered even if aid... (is) increased one hundred percent."¹

The idea that one aspect of New Zealand's policies towards Western Samoa can be used to alleviate or complement the other aspects is a relatively new one to official Government policy. In 1977 an inter-departmental committee of officials was set up following a visit to the South Pacific by the Minister of Immigration in the wake of the overstayers issue. The committee, the Pacific Affairs Co-ordinating Committee (PACC)

"acts as a focal point for co-ordinating New Zealand policies and for stimulating and monitoring the Government's activities towards the South Pacific in the fields of trade, economic co-operation, immigration and related fields, education, health, defence and transport."²

This list of activities is obviously highly ambitious, and the committee has concentrated mainly on the problems related to the Island migrants residing in New Zealand. It has done some work towards instituting minimum price support schemes for copra and other agricultural commodities,³ but otherwise has done very little in the fields of this study - aid, trade and investment, and migration.

It is hoped that this discussion has emphasized the importance of considering Western Samoa's relationship with

New Zealand in its entirety before assessing its conformity to the theories outlined in Chapter One. While the individual aspects could largely be isolated in the earlier chapters, it was vital that they were integrated here in order to undertake a viable evaluation of Western Samoa as a 'typical' small developing state and as a small state in a 'typical' relationship with a larger state.

The only doubt about whether or not Western Samoa falls within the definitions of a 'small state' is in the fact that it may be too insignificant to warrant such a title when the theoretical literature on such entities is considered. However, for the purposes of this study, it was decided to use the comparative sizes of the two countries involved, and so to define Western Samoa as a small state and New Zealand as a large state. There is no such doubt about the level of Western Samoa's development.

Most of the discussion relating the specific case of Western Samoa to the theoretical concepts of the characteristics a small developing state should possess has been covered in the previous chapters, so only a quick summary will be given here. Economically, Western Samoa provides a very good example of a small developing state. Only in the fact that it does not concentrate its economic interaction almost exclusively on its former colonial power does it deviate significantly from the model.

However, while Western Samoa is not solely dependent on New Zealand for its aid, trade and investment relationships, it is in a highly vulnerable position with regard to all three. It has almost no control over the amount or
extent of each, and as such, finds that long-term and efficient planning of allocation of resources is almost impossible to achieve.

The problem of rapid population growth is serious in Western Samoa and, as Benedict predicts, emigration is favoured as a viable option. However the immigration policies of other countries, especially New Zealand, have prevented a large-scale exodus and therefore, while the problems associated with selective migrant flows have been averted, those of severe unemployment have not.

The limited amount of resources available for international interaction has resulted, as expected, in the concentration of Samoan foreign policy on the South Pacific, particularly New Zealand. Therefore the bilateral relationship which exists between these two countries is of great importance to Western Samoa and, as such, will be considered next as a test of the theories concerned with the relationship which exists between a small and a large state.

Bjøl and Freymond both argue that the small state is not necessarily intrinsically disadvantaged by its size in its relationship with a larger state. However Bjøl's contention is not borne out by the evidence, as New Zealand is definitely the dominant partner in the relationship, and probably allocates as much absolute time and resources to its dealings with Western Samoa as vice versa.

Freymond's theory on the other hand has been

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1 See p 12.
2 Ibid.
supported by an important feature in the historical relationship between the two countries. As outlined in Chapter Three, the New Zealand Administering Authority was plagued almost continually throughout its rule in Western Samoa by the nationalist movement, the Mau. By both peaceful and later, more forceful tactics this movement seriously undermined the authority and power of its country's foreign rulers, and heavily increased the (political as much as financial) cost to them of retaining their hold of the territory.

Today Western Samoa is categorised a Third World non-aligned state. In other words, it is a newly-independent, developing country which does not wish to identify itself with either the capitalist or communist camps. As such it can achieve some importance when it is wooed for its vote in the United Nations or other inter-governamental bodies where it has equal status with all other (larger) nations. However its economic dependence on the Western nations, particularly New Zealand, no doubt influences its decisions to some extent, and so far it has followed New Zealand's policy lines very closely.¹

It is difficult to apply the contemporary situation of Western Samoa in its relationship with New Zealand to much of the theoretical literature² because of the sheer insignificance of both of these countries on the world scene. Western Samoa itself has no great strategic or

¹ Personal interview with T.F. Toleafoa.
economic importance, while New Zealand is not competing with any (other) power for dominance in the South Pacific region.

However it is these very same factors which make the applicability of Morrison and Suhrke's partial linkage paradigm\(^1\) to the relationship between Western Samoa and New Zealand so likely. Because these countries are unimportant on the world scene their relationship with one another is largely independent of outside influences and so is basically determined by the domestic situations in both countries.

The historical relationship between Western Samoa and New Zealand\(^2\) provides an ample basis for the smaller country to "exploit sentiments of obligation or treaty commitments". New Zealand has made many affirmations of the "intimate relationship"\(^3\) which exists between itself and Western Samoa because of their long (and sometimes torrid) association, and is committed to aiding that country in its progress towards economic and social modernization.

The geographic proximity of the two countries is also an important feature, as are the "ethnic...affinities" which tie their peoples. As a nation of the South Pacific Western Samoa holds a special place in New Zealand's foreign policy, while the fact that its population is almost exclusively Polynesian means that there are great racial and cultural similarities between the Western Samoans and the Maoris of New Zealand.

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\(^1\) See pp 14-16.

\(^2\) See Chapter 3.

\(^3\) Treaty of Friendship, see Appendix D.
The other bargaining tactics of a small state within a partial linkage relationship with a larger state are: cultivating specific interest groups within the larger power, and offering economic privileges, political support or military facilities. Not surprisingly, Western Samoa has very little bargaining power in any of the latter categories. The government may offer to support New Zealand policies or initiatives at regional conferences, but its responsibility, and accountability, to its electorate at home, as well as the fierce nationalistic feelings of its people, make such bargaining highly unlikely.

To a limited extent the Western Samoan Government can appeal to specific interest groups within New Zealand. It attempts to cultivate the support of the Labour Party in general,¹ while the fact that about 30,000 Samoans now live in New Zealand provides it with a significant potential lever in the electoral box.

The fact that it is the domestic, rather than the international situation which affects the relationship, is evidenced by the fall in aid given by, and the number of migrants allowed into, New Zealand, in times of economic recession in that country. While admittedly these worsening economic conditions are usually initiated by international events, as explained earlier,² this does not really change the overall situation.

Also, the change in New Zealand's administration in

¹ Interview with T.F. Toleafoa.
² See pp 90-91.
1972 brought about an increase in aid to the Pacific and a sharper focus of New Zealand interests in that area, while the re-election of the National Government in 1975 led to a significant worsening of relations, with the 'overstayer' issue. Similarly, the accession to power of Tupuola Efi in Western Samoa in 1976 has led to a much more aggressive and critical attitude from that country, and to a significant increase in its willingness to co-operate and interact with many other countries than its former colonial power.

Overall then, it can be seen that it is the domestic situations within the individual countries which determine the relationship between Western Samoa and New Zealand, rather than New Zealand's relationship with any other large country. In other words, the relationship fits Morrison and Suhrke's partial linkage paradigm. As mentioned in Chapter Four, if the international factors are to be considered at all, it is the association of other large countries with the smaller partner in the relationship that is the important variable.

The final theory to be examined when considering the Western Samoa - New Zealand relationship is that of neo-colonialism. Although the smaller country was never formally a colony of New Zealand, it was ruled by that country for almost half a century and as such was subject to much the same conditions as many colonies.

The characteristics of small ex-colonies as outlined by O'Leary are largely true of Western Samoa today.

1 See pp 16-17.
The country's main economic links are with New Zealand, its Prime Minister and many other politicians and bureaucrats have received their education there, while the number of New Zealanders in Western Samoa in important administrative and economic positions is significant. In addition, New Zealand provides a considerable amount of aid to Western Samoa each year and overall, plays a dominant role in the country's life.

In conclusion then, it can be seen that Western Samoa is a 'typical' small developing state. Its only deviation is that it has a wider range of economic and political partners than most of its counterparts, but overall it is still basically dependent on its former 'colonial power' for its economic survival.

As far as the bilateral relationship between Western Samoa and New Zealand is concerned, it is somewhat unusual in that it fits Morrison and Suhrke's partial linkage paradigm when the authors argue that such examples do not exist. However this anomaly is probably largely explained by the very small scale of these two states.

The relationship between Western Samoa and New Zealand has undergone many changes over the seventy-odd years of its existence. Yet, in one respect, nothing has altered: New Zealand was, is, and no doubt always will be, the dominant partner in the relationship. It is New Zealand's conditions and policies, not Western Samoa's needs, which determine the aid, trade and migration flows

1 Personal interview with Mike Field.
between the two countries; and, as long as this remains the case, the Western Samoans will never be free of their dependence on, and subordination to, New Zealand.
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Appendix A

QUANTITY, VALUE AND PRICES OF COPRA AND COCOA 1973-1978

COPRA

QUANTITY (000 tons)

COCOA

VALUE (Tala, million)

PRICE (Tala per ton)

Source: Calculated from figures in Annual Statistical Abstract 1978
Appendix B

LEAGUE OF NATIONS - MANDATE FOR GERMAN SAMOA

Article 1.

The Territory over which a mandate is conferred upon His Britannic Majesty for and on behalf of the Government of the Dominion of New Zealand (hereinafter called the Mandatory) is the former Germany Colony of Samoa.

Article 2.

The Mandatory shall have full power of administration and legislation over the Territory, subject to the present mandate, as an integral portion of the Dominion of New Zealand, and may apply the laws of the Dominion of New Zealand to the Territory, subject to such local modifications as circumstances may require.

The Mandatory shall promote to the utmost the material and moral well-being and the social progress of the inhabitants of the Territory subject to the present mandate.

Article 3.

The Mandatory shall see that the slave trade is prohibited, and that no forced labour is permitted, except for essential public works and services, and then only for adequate remuneration.

The Mandatory shall also see that the traffic in arms and ammunition is controlled in accordance with principles analogous to those laid down in the Convention relating to the control of the arms traffic, signed on September 10th 1919, or in any convention amending the same.

The supply of intoxicating spirits and beverages to the Natives shall be prohibited.

Article 4.

The military training of the Natives, otherwise than for purposes of internal police and the local defence of the Territory, shall be prohibited.

Furthermore, no military or naval bases shall be established or fortifications erected in the Territory.
Article 5.

Subject to the provisions of any local law for the maintenance of public order and public morals, the Mandatory shall ensure in the Territory freedom of conscience and the free exercise of all forms of worship, and shall allow all missionaries, nationals of any State member of the League of Nations, to enter into, travel, and reside in the Territory for the purpose of prosecuting their calling.

Article 6.

The Mandatory shall make to the Council of the League of Nations an annual report to the satisfaction of the Council, containing full information with regard to the Territory, and indicating the measures taken to carry out the obligations assumed under Articles 2, 3, 4 and 5.

Article 7.

The consent of the Council of the League of Nations is required for any modification of the terms of the present mandate.

Made at Geneva the 17th day of December, 1920.

JEAN MONNET,
Deputy Secretary-General.

Appendix C

TRUSTEESHIP AGREEMENT FOR THE TERRITORY OF WESTERN SAMOA

AS APPROVED BY THE GENERAL ASSEMBLY AT THE
SIXTY-SECOND PLENARY MEETING OF ITS
FIRST SESSION ON 13 DECEMBER, 1946

AND WHEREAS the Charter of the United Nations
signed at San Francisco on 26 June 1945, provides for
the establishment of an international trusteeship system
for the administration and supervision of such territories
as may be the subject of trusteeship agreements:....

NOW THEREFORE, the General Assembly of the United
Nations hereby resolves to approve the following terms
of trusteeship for Western Samoa, in substitution for the
terms of the aforesaid mandate:

Article I

The territory to which this Agreement applies is the
territory known as Western Samoa comprising the islands of
Upolu, Savai'i, Manono, and Apolima, together with all other
islands and rocks adjacent thereto.

Article II

The Government of New Zealand are hereby designated as
the administering authority for Western Samoa.

Article III

The administering authority shall have full powers of
administration, legislation and jurisdiction over the
territory, subject to the provisions of this agreement,
and of the Charter of the United Nations, and may apply to
the territory, subject to any modifications which the
administering authority may consider desirable, such of the
laws of New Zealand as may seem appropriate to local
conditions and requirements.

Article IV

The administering authority undertakes to administer
Western Samoa in such a manner as to achieve in that
territory the basic objectives of the international trustee-
ship system, as expressed in Article 76 of the Charter of
the United Nations.
Article V

The administering authority shall promote the development of free political institutions suited to Western Samoa. To this end and as may be appropriate to the particular circumstances of the territory and its peoples, the administering authority shall assure to the inhabitants of Western Samoa a progressively increasing share in the administrative and other services of the territory, shall develop the participation of the inhabitants of Western Samoa in advisory and legislative bodies and in the government of the territory, and shall take all other appropriate measures with a view to the political advancement of the inhabitants of Western Samoa in accordance with Article 76 (b) of the Charter of the United Nations.

Article VI

In pursuance of its undertaking to promote the social advancement of the inhabitants of the trust territory, and without in any way limiting its obligations thereunder, the administering authority shall:

1. Prohibit all forms of slavery and slave-trading;
2. Prohibit all forms of forced or compulsory labour, except for essential public works and services as specifically authorized by the local administration and then only in times of public emergency, with adequate remuneration and adequate protection of the welfare of the workers;
3. Control the traffic in arms and ammunition;
4. Control, in the interest of the inhabitants, the manufacture, importation and distribution of intoxicating spirits and beverages; and
5. Control the production, importation, manufacture, and distribution of opium and narcotic drugs.

Article VII

The administering authority undertakes to apply in Western Samoa the provisions of any international conventions and recommendations as drawn up by the United Nations or its specialized agencies which are, in the opinion of the administering authority, appropriate to the needs and conditions of the trust territory, and conducive to the achievement of the basic objectives of the international trusteeship system.
Article VIII

In framing the laws to be applied in Western Samoa, the administering authority shall take into consideration Samoan customs and usages and shall respect the rights and safeguard the interests, both present and future, of the Samoan population.

In particular, the laws relating to the holding or transfer of land shall ensure that no native land may be transferred save with the prior consent of the competent public authority and that no right over native land in favour of any person not a Samoan may be created except with the same consent.

Article IX

The administering authority shall ensure in the territory freedom of conscience and the free exercise of all forms of worship, and shall allow missionaries, nationals of any State member of the United Nations, to enter into, travel and reside in the territory for the purpose of prosecuting their calling. The provisions of this Article shall not, however, affect the right and duty of the administering authority to exercise such control as it may consider necessary for the maintenance of peace, order and good government.

Article X

The administering authority shall ensure that the trust territory of Western Samoa shall play its part, in accordance with the Charter of the United Nations, in the maintenance of international peace and security. To this end the administering authority shall be entitled:

1. To establish naval, military and air bases and to erect fortifications in the trust territory;

2. To station and employ armed forces in the territory;

3. To make use of volunteer forces, facilities and assistance from the trust territory in carrying out the obligations toward the Security Council undertaken in this regard by the administering authority, as well as for local defence and the maintenance of law and order within the trust territory;

4. To take all such other measures in accordance with the Purposes and Principles of the Charter of the United Nations as are in the opinion of the administering authority necessary to the maintenance of international peace and security and the defence of Western Samoa.
Article XI

The administering authority shall, as may be appropriate to the circumstances of the trust territory, continue and extend a general system of education, including post-primary education and professional training.

Article XII

Subject only to the requirements of public order, the administering authority shall guarantee to the inhabitants of the trust territory, freedom of speech, of the press, of assembly and of petition.

Article XIII

The administering authority may arrange for the co-operation of Western Samoa in any regional advisory commission, regional technical organization or other voluntary association of states, any specialized international bodies, public or private, or other forms of international activity not inconsistent with the Charter of the United Nations.

Article XIV

The administering authority shall make to the General Assembly of the United Nations an annual report on the basis of a questionnaire drawn up by the Trusteeship Council in accordance with the Charter of the United Nations and shall otherwise collaborate fully with the Trusteeship Council in the discharge of all the Council's functions in accordance with Articles 87 and 88 of the Charter. The administering authority shall arrange to be represented at the sessions of the Trusteeship Council at which the reports of the administering authority with regard to Western Samoa are considered.

Article XV

The terms of this agreement shall not be altered or amended except as provided in Article 79 of the Charter of the United Nations.

Article XVI

If any dispute should arise between the administering authority and another member of the United Nations, relating to the interpretation or application of the provisions of this agreement, such dispute, if it cannot be settled by negotiation or similar means, shall be submitted to the International Court of Justice.

Appendix D

TREATY OF FRIENDSHIP BETWEEN THE GOVERNMENT OF NEW ZEALAND AND THE GOVERNMENT OF WESTERN SAMOA

The Government of New Zealand and the Government of Western Samoa,

Affirming that their relations, as Governments of sovereign and equal states, are founded upon respect for fundamental human rights and for the purposes and principles of the Charter of the United Nations,

Recognizing that friendship, confidence, and a mutual endeavour to obtain for their peoples fuller opportunities for social progress have established a specially intimate relationship between them,

And desiring to maintain and strengthen the bonds of amity and goodwill which have hitherto existed between them and to provide for continued cooperation,

Have agreed as follows:

Article I

Relations between New Zealand and Western Samoa shall continue to be governed by a spirit of close friendship.

Article II

Where appropriate the two Governments shall consult each other on matters of mutual interest and concern.

Article III

Each Government shall ensure that citizens of the other living within its territory are, in accordance with the normal practice between friendly states, given equitable treatment and full legal protection and access to the Courts.

Article IV

The two Governments shall continue to work together to promote the welfare of the people of Western Samoa. In particular the Government of New Zealand will consider sympathetically requests from the Government of Western Samoa for technical, administrative and other assistance.
Article V

The Government of New Zealand shall, for as long as the Government of Western Samoa wishes, and in such manner as will in no way impair the right of the Government of Western Samoa to formulate its own foreign policies, afford assistance to the Government of Western Samoa in the conduct of its international relations. In particular the Government of New Zealand will:

(a) when requested, act as the channel for communications between the Government of Western Samoa and other Governments and international organizations;

(b) when requested, and where permissible and appropriate, undertake the representation of the Government of Western Samoa at any international conference at which Western Samoa is entitled to be represented;

(c) when requested, supply Western Samoa with information concerning international affairs;

(d) undertake the diplomatic protection of nationals of Western Samoa in other countries and perform consular functions on their behalf.

Article VI

Either Government may at any time give to the other Government written notice of its desire to terminate this Agreement. In such case, this Agreement shall terminate upon the expiration of three months from the date on which the notice is received.

Article VII

This Agreement shall enter into force on the date of signature.

IN WITNESS WHEREOF, the representative of the Government of New Zealand, and the representative of the Government of Western Samoa, duly authorized for the purpose, have signed this Agreement.

DONE at Apia this 1st day of August 1962 in four originals, two being in the English language, and two in the Samoan language, the texts of both languages being equally authentic.

For the Government of New Zealand:  
J.B. WRIGHT

For the Government of Western Samoa:  
FIAME MATA'AFA P.M. II

Appendix E

SOURCE AND TOTAL AMOUNT OF ODA FOR SELECTED PACIFIC ISLAND COUNTRIES 1976

WESTERN SAMOA
A$9.24m.

FIJI
A$18.94m.

SOLOMON ISLANDS
A$16.09m.

TONGA
A$3.39m.

Key: M Multilateral
     O.B. Other Bilateral

Source: Constructed from statistics in Fairbairn and Bollard, 1978, pp 16 and 17.
Appendix F

DESTINATION OF WESTERN SAMOAN EXPORTS
(by value)

1948
- N.Z. 32%
- U.S. 19%
- Aust. 16%
- U.K. 15%
- Other 8%
- C. 7%
- F. 3%

1958
- N.Z. 33%
- U.S. 16%
- Aust. 18%
- U.K. 16%
- Other 15%
- I. 3%
- F. 4%
- U.S. 5%
- Jap. 6%

1965
- N.Z. 29%
- Aust. 19%
- Jap. 19%
- U.K. 10%
- U.S. 10%
- W.G. 4%
- F. 3.5%
- S.A. 3%
- Other 125%

1978
- N.Z. 33%
- Aust. 19%
- Jap. 19%
- U.K. 15%
- U.S. 9%
- Sing. 6%
- F. 4%
- I. 3%
- Other 11%

Key:
- A Australia
- C Canada
- F Fiji
- I Indonesia
- J Japan
- N.Z. New Zealand
- S.A. South Africa
- Sing. Singapore
- U.K. United Kingdom
- U.S. United States
- O. Other
SOURCE OF WESTERN SAMOAN IMPORTS
(by value)

1948

Key: A Australia
AS American Samoa
C Canada
Jap. Japan
Neth. Netherlands


Report, AJHR, A-4
Annual Statistical Abstract 1978

1958

1965

1978

Source: 1948, 1958, 1698, 1978
Appendix G

N.Z. EXPORTS TO W.S.
July 1977 - June 1978

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Meat</td>
<td>1,532,462</td>
<td>(44%)</td>
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<tr>
<td>Dairy Prods, Eggs</td>
<td>776,588</td>
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</tr>
<tr>
<td>Fish</td>
<td>109,628</td>
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<tr>
<td>Cereal Preparations</td>
<td>193,190</td>
<td>(16%)</td>
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<tr>
<td>Fruit &amp; Vegetables</td>
<td>200,916</td>
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<tr>
<td>Sugar</td>
<td>17,827</td>
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<td>Food Preps.</td>
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<tr>
<td>Alcoholic Beverages</td>
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<td>Tobacco Manuf.</td>
<td>1,290,255</td>
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<td>Foodstuffs</td>
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<tr>
<td>Animal and Vegetable Oils &amp; Fats</td>
<td>287,308</td>
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<tr>
<td>Medicinal &amp; Pharmaceutical Prods</td>
<td>272,744</td>
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<tr>
<td>Oils, perfumery, soaps</td>
<td>115,798</td>
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<tr>
<td>Plastic Materials</td>
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<tr>
<td>Chemical Materials &amp; Prods nes</td>
<td>522,988</td>
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<tr>
<td>Wood Manufactures (incl. pulp &amp; paper)</td>
<td>1,121,557</td>
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<td>Textile Manufactures</td>
<td>145,821</td>
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<tr>
<td>Glass &amp; Glassware</td>
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<tr>
<td>Furniture and Fittings</td>
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<tr>
<td>Construction Materials</td>
<td>218,033</td>
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<td>Metals (incl. manuf. iron &amp; steel)</td>
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<td>Machinery</td>
<td>1,327,209</td>
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<td>Transport Manufactures</td>
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<td>Miscellaneous</td>
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<tr>
<td></td>
<td>11,647,392</td>
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<tr>
<td>Total N.Z. Exports</td>
<td>12,182,103</td>
<td>F.O.B.</td>
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Total N.Z. Exports
July 1977 - June 1978  $3,309,113,243  F.O.B.
### N.Z. IMPORTS FROM W.S.
July 1977 - June 1978

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Fruit, Vegetables, Tubers</td>
<td>912,286</td>
<td>(26%)</td>
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<tr>
<td>Cocoa</td>
<td>267,095</td>
<td>(8%)</td>
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<tr>
<td>Food Preparations</td>
<td>263,861</td>
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<tr>
<td>Oil Seeds/Nuts/Kernels</td>
<td>1,958,693</td>
<td>(56%)</td>
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<td>Manufactured Articles</td>
<td>32,548</td>
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<td>Works of Art, etc.</td>
<td>44,183</td>
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<tr>
<td><strong>Total</strong></td>
<td>3,478,666</td>
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<tr>
<td>Miscellaneous</td>
<td>13,956</td>
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<tr>
<td><strong>Total N.Z. Imports</strong></td>
<td>$3,492,622</td>
<td>c.i.f.</td>
</tr>
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</table>

**Total N.Z. Imports**

Appendix H

IMPORT LICENSING SCHEDULE

Appendix 1: The Consolidated List of Exemptions.
The Appendix lists... all goods which may be imported into New Zealand exempt from import licence...

Part IV - Goods from Cook Islands, Niue and Western Samoa

Classes of Goods

Goods imported from and being:

(a) Wholly produced in the Cook Islands, Niue, or Western Samoa

(b) Wholly manufactured in the Cook Islands, Niue, or Western Samoa from materials of one or more of the following classes:
   (i) Unmanufactured raw materials as illustrated in the Third Schedule to the Customs Regulations 1968;
   (ii) Materials wholly manufactured in the Cook Islands, Niue, or Western Samoa, or in those areas and New Zealand.

(c) Partly manufactured in the Cook Islands, Niue, or Western Samoa; and
   (i) The process last performed in the manufacture of the goods was performed in the Cook Islands, Niue, or Western Samoa; and
   (ii) That in respect of the goods, the expenditure -
      (A) In material that is of the Cook Islands, Niue, or Western Samoa and/or of New Zealand origin; or
      (B) In labour and factory overheads incurred in the Cook Islands, Niue, or Western Samoa and/or in New Zealand; or
      (C) In inner containers that are of the Cook Islands, Niue, or Western Samoa and/or New Zealand origin; or
      (D) Partly in such materials and partly in such other items of factory cost (including inner containers) as aforesaid - not less than one half of the factory or works cost of the goods in this finished state;
   (iii) That in the calculation of that proportion of expenditure in material, and/or in other items of factory or works cost incurred in the Cook Islands, Niue, or Western Samoa or in those areas and/or New Zealand, none of the following items has been
included or considered, viz: manufacturer's profit, or the profit or remuneration of any trader, agent, broker, or other person dealing in the goods in their finished condition; royalties payable in respect of the finished goods; cost of outside packages or any cost of packing the goods into them; administrative and general office expenses; any cost of conveying, insuring or shipping the goods, or any charges incurred after their manufacture.