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Racial Tensions: A Growing Factor in New Zealand Politics

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Summary

Growing political activism by New Zealand's native Polynesian Maoris, who constitute about 12 percent of the population, and their demands that public lands be returned to traditional tribal owners, are straining relations between Maoris and New Zealanders of European descent. Although the risk of racial violence is small, tensions are likely to increase as the slumping economy swells unemployment among the Maori, and as public resentment builds against Maori demands. We believe Prime Minister Lange's Labor Party government will be hard pressed to resolve Maori land claims without suffering a voter backlash from European New Zealanders; the opposition National Party will probably make Labor's handling of race relations a major issue in the next parliamentary election, which must be held by 1990.

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Economic Decline Raises Racial Tensions

European New Zealanders' complacent view of race relations is being challenged by Maori activists advocating the establishment of separate institutions and the return of tribal lands. New Zealand's slumping economy and record unemployment, moreover, have soured relations between the 400,000 native Polynesian Maoris -- about 12 percent of New Zealand's population -- and the European majority. Persistent economic troubles, especially in the agriculture and manufacturing sectors, which are traditional sources of employment for the low-skilled Maoris, suggest that racial tensions will continue:

- According to press reports, a Maori underclass has developed in Auckland and other urban areas because most young Maoris lack the education or skills needed to find work in the increasingly service-oriented economy. A sharp increase in violent crime, often associated with gangs of Maori youth, has heightened racial tensions.
- By encouraging greater economic competition and a diminished role for government, Finance Minister Douglas's free market policies are likely to widen the income gap between Maoris and European New Zealanders, according to the US Embassy.
- Young Maori leaders have become increasingly strident in demanding more favorable economic and social policy reforms. These demands have sparked debate in the ruling Labor Party, the opposition National Party, and the general public. [redacted]

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What Is at Stake

In recent years, Maori tribes have filed 160 claims on land and fisheries valued at almost \$10 billion, according to press reports. The Maoris' claims of as much as 70 percent of government-owned land have prompted fears among European New Zealanders, farmers, and businesses that Maori tribes may eventually win control of a large portion of the country's economic base. The forestry and fishing industries, which account for 15 percent of New Zealand's exports, have been most affected by tribal claims on government holdings. Although Maori claims are not likely to have a major effect on the critical agricultural or manufacturing sectors, the press reports that court rulings have affected public works projects and have delayed development projects in urban areas. [redacted]

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The recent decisions of the government tribunal that adjudicates Maori claims are creating uncertainty about the ownership of government-held land, fishing rights, and mineral resources, thereby discouraging private investment in primary industries and undermining Wellington's plans to sell public lands. In a critical test case concerning a lucrative commercial fishery, the Waitangi Tribunal -- named after the 1840 Treaty of Waitangi, which guaranteed tribal ownership of much of New Zealand's land areas and waterways -- in June ruled in favor of a local Maori tribe. Moreover, a court ruling last

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year delayed the reorganization of several publicly owned resource corporations because of outstanding Maori claims. According to press reports, the Lange government may rule out the sale of land held by the Forestry Corporation, dealing a sharp setback to Douglas's plans to reduce the government debt through asset sales. The government's commercial forests are worth more than \$3 billion -- the largest government asset Douglas has slated for privatization. [REDACTED]

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Maoris Reclaim Their Country

The Polynesian Maoris arrived in New Zealand from neighboring South Pacific islands about 1,000 years before the first European settlements were established in the late 18th century. Maori tribal chiefs had no choice but to accept British sovereignty. London, however, guaranteed Maori ownership of land and fisheries through the Treaty of Waitangi in 1840. Maori property taken by European settlers during a series of land wars in the last century, and by the colonial and New Zealand governments since 1840, has become the center of political controversy in recent years as a government tribunal has upheld tribal claims to public lands. [REDACTED]

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From Warrior Tribes to Urban Underclass. Maoris have migrated from tribal lands to New Zealand's cities in search of jobs. According to press reports, 80 percent of Maoris are now urban residents, compared with only 20 percent in 1945. Maoris have not fared well in the cities, however. Unemployment, infant mortality, crime, and school drop out rates are significantly higher among the Maori than the European majority, according to the US Embassy. Although older Maori leaders have favored a conservative approach to relations with the European majority and have traditionally supported the Labor Party, we believe younger leaders are more likely to adopt radical positions on domestic policy issues, especially as the economic slump continues. In addition to demands for the return of tribal lands and fishing rights, Maoris have pressed Wellington to increase tribal control over development programs, make Maori an official language, and establish a separate Maori parliament. Despite Wellington's efforts to defuse racial tensions through economic and legislative reforms, the Maori underclass will most likely expand as the Maori population grows, suggesting that racial tensions will persist. [REDACTED]

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The US Embassy notes that Maori tribes are likely to win only a small number of claims, but the long-term economic impact of the Waitangi Tribunal's rulings is uncertain. In our judgment, the tribunal will not recommend the return of Maori lands, or recommend that Wellington pay fair-market compensation to Maori tribes, because these options would not be economically feasible. Public comments by senior Maori leaders suggest that they are willing to compromise with Wellington, allowing the government to settle future claims at a relatively low cost. Political considerations, however, will probably preclude a quick resolution of land claims. [REDACTED]

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Lange's Approach

Prime Minister Lange's Labor government is stepping up efforts to settle Maori demands and allay the fears of the European majority before the parliamentary election in 1990. Lange told US Embassy officials that race relations are the most serious problem facing his government, suggesting that he will make legislative and social reform to ease racial tensions a priority. Wellington recently announced that it will phase out the scandal-plagued Ministry of Maori Affairs by 1990, and replace government programs for Maoris -- which Lange has described as "handouts" -- with a program that encourages local tribes to gain economic self-sufficiency. [redacted]

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Deputy Prime Minister Geoffrey Palmer indicated that the Labor government would accept the Waitangi Tribunal's rulings on land claims, according to the US Embassy. The Lange government will probably not curb the tribunal's powers, a move favored by the opposition National Party, because that would strengthen the position of radical Maoris who are less willing to compromise with the government, and could lead the Maoris to press their claims in civil court. In addition, Labor may be reluctant to antagonize its traditional Maori supporters further -- Labor trails the National Party by a wide margin in recent public opinion polls and Maori support for the Labor Party, especially in urban areas, could be critical in the next parliamentary election. [redacted]

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A House Divided

A White Backlash: We believe the Labor government's support for the Waitangi Tribunal risks a backlash among the European majority at the next parliamentary election. Although private land is not subject to Maori claims, public reaction to tribunal rulings has been negative, according to the US Embassy. Public opinion surveys show 62 percent of New Zealanders oppose the Waitangi Tribunal's recent decisions, prompting sharp criticism of the tribunal from Labor Party and opposition members of Parliament. The growing debate on race relations, moreover, could cause divisions to resurface in the Labor government between moderate Cabinet members and leftist backbenchers. [redacted]

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Radical Maoris -- A Bad Omen?: The appearance in recent years of Maoris advocating radical foreign policy positions, political autonomy for Maoris, and, in at least one case, violent confrontation with the European majority, is another troubling development. In the near term, racial violence is unlikely; most Maoris strongly oppose militant policies, and the US Embassy notes that government efforts to resolve outstanding land claims are undercutting Maori extremists. But support for Maori radicalism could increase in the long term, especially among young Maoris if, as we expect, sluggish economic growth means no reduction in unemployment. [redacted]


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In this case, Maori radicals may step up controversial tactics to gain public attention. Maori representatives, led by leftist trade union leader Syd Jackson, visited Libya this year to request trade and economic assistance. Although there is no indication that Tripoli has offered more than rhetorical support, the trip was publicized in

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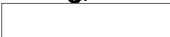


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the New Zealand media, giving Jackson a platform for attacking Labor government policies. Jackson also visited Fiji in 1987, and returned to New Zealand praising the military coups there that had restored ethnic Fijian domination. 


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Complicating Wellington's Foreign Policy

Despite the well-publicized efforts of young radical Maoris to court Libyan support, Maori tribes have no foreign policy agenda and are not likely to oppose Wellington's defense and foreign policy ties to Australia and other Western countries. We believe, nonetheless, that the Maoris' growing political influence could have an indirect effect on Wellington's foreign relations. For example, a worsening of racial tensions or the outbreak of racial violence would probably undermine Wellington's influence among the South Pacific island nations and might prompt these countries to downgrade relations with Wellington. We believe such a development would discourage New Zealand from maintaining defense and foreign policy interests in the South Pacific, thereby increasing the chances that Wellington would adopt isolationist policies. According to the US Embassy in Canberra, Australian officials are concerned that racial strife could eventually undermine Wellington's traditional Western outlook and weaken support in New Zealand for defense and foreign policy links to Australia. The US Embassy in Wellington notes that moderate members of Prime Minister Lange's Cabinet, citing the need to increase social spending, are opposing plans to purchase four costly Navy frigates from Australia. 

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Looking Ahead

The Lange government is probably hoping that a strong economic recovery and lower unemployment will help to defuse racial tensions. Indeed, Labor's economic reforms and ambitious program to overhaul New Zealand's education system may improve the standard of living for Maoris in the long run. Nonetheless, Maoris are suffering disproportionately from the economy's downturn and will continue to lag the European majority in education, employment, and income. Prior to the 1990 election, we expect Maori leaders to increase demands for a greater share of government resources, but New Zealand's bleak economic prospects suggest that Wellington will be forced to reduce spending on Maori social programs. 

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The National Party has increased attacks on Labor's handling of race relations, and will probably make this an issue in the next election campaign. The US Embassy reports that Opposition Leader Jim Bolger recently turned in a surprisingly strong performance at National's annual party conference by focusing on the race issue, and Opposition Spokesman for Maori Affairs Winston Peters, a conservative Maori and a leader of National's right wing, has scored the Lange government for "pandering" to Maori demands. Peters' attacks have helped National hold its large lead over Labor in

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opinion polls -- his popularity has risen dramatically this year and surveys show he is now the most popular opposition member of Parliament. Race relations, however, will remain a politically dangerous issue; for example, the public reacted negatively to Bolger's efforts to capitalize on the rising crime rate and racial tensions during the 1987 election campaign. We believe Bolger will gain votes at the next election by adopting a middle course between his party's right wing and the Labor Party on the Maori issue.



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RACIAL TENSIONS: A GROWING FACTOR IN NEW ZEALAND POLITICS



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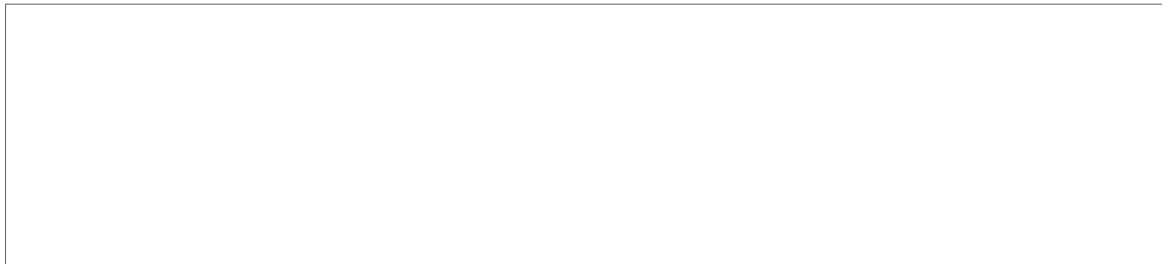
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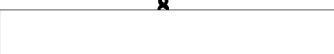
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