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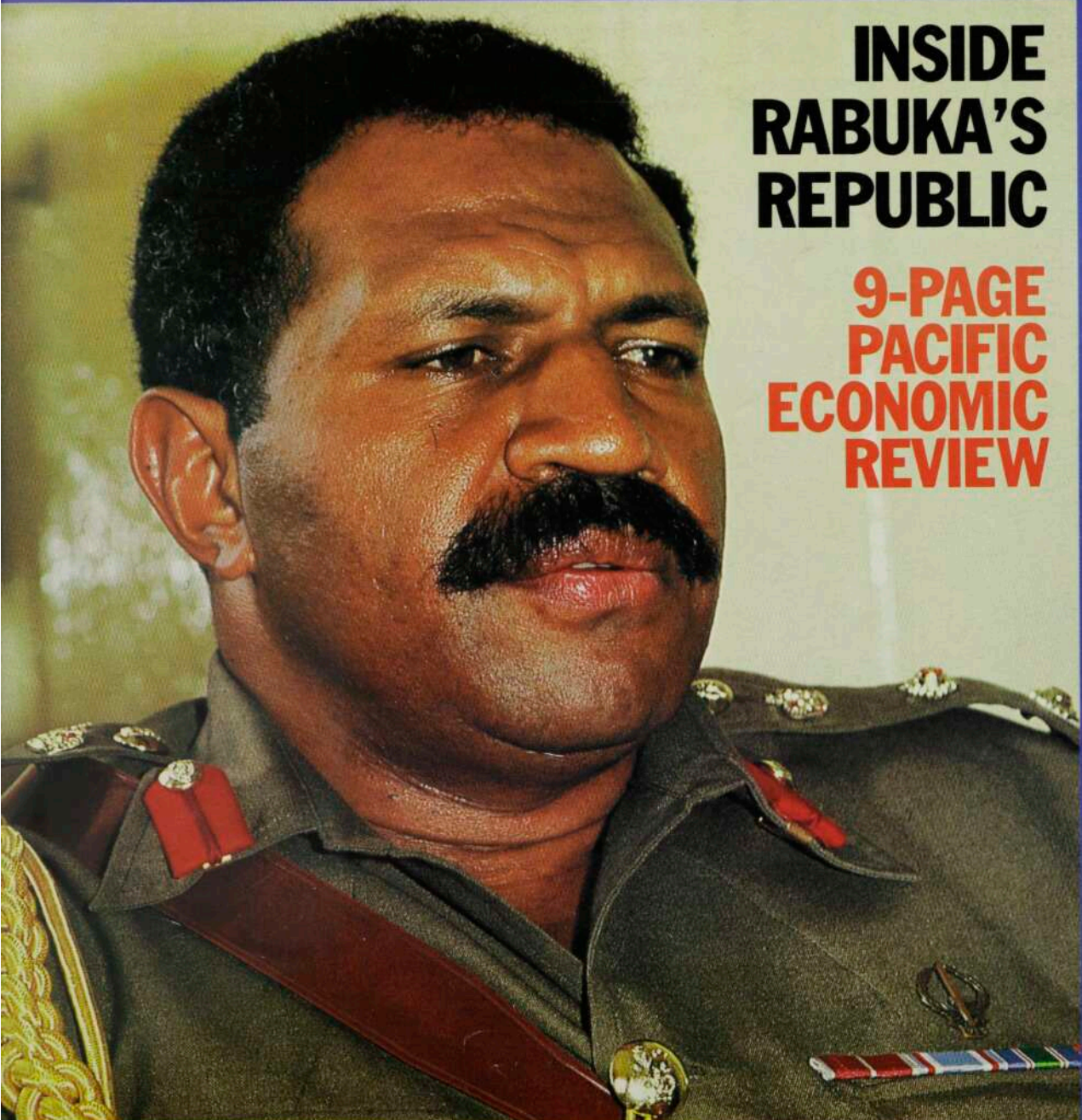
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NOVEMBER 1987



INSIDE RABUKA'S REPUBLIC

9-PAGE PACIFIC ECONOMIC REVIEW

Published by Australia Book Publishing, No. NDS 1919

Do the twist

It's a whole new kind of driving. It's a unique Speed-Sensing 4-Wheel Steering system. And it's developed by Mazda, of course.

The pleasure of dancing; it comes from a harmony of mind and body so in tune that there is only a feeling of at oneness. It was just this kind of harmony between car and driver that Mazda has long been seeking with our innovations in rear suspension and toe control technology. A harmony that has now been realized with the development of Mazda's unique Speed-Sensing 4-Wheel Steering system.

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Dunhill De Luxe 25's

Always in
good taste

Created by our blenders
from tobaccos of exceptional quality
Also available in De Luxe Mild

dunhill

PACIFIC ISLANDS

M O N T H L Y

Vol 58, No. 11

VOICE OF THE PACIFIC

November, '87



Cover Story

10

Fiji faces a turbulent future as Colonel Rabuka and his Council of Ministers take control. Nicholas Rothwell reports from the new republic on the Colonel's triumphant second coup and details the many political, economic and social problems he must solve.

VANUATU AT THE POLLS 16
The Government should prevail, but the emergence of a strong opposition will give Father Walter Lini the fight of his life.

PREVIEW: SOUTH PACIFIC GAMES 18
Numbers are down for next month's Games in New Caledonia — but some exciting competition is assured.

PONS' AUTONOMY PLAN 19
France's controversial scheme for the people of New Caledonia receives a mixed reaction in the territory.

TJIBAOU'S NEW YORK POISON SCARE 19

NAURU'S FIGHT FOR A FUTURE 20
The struggle is on to win compensation from phosphate miners.

INTERVIEW: DICK CARTER OF OK TEDI 21
The PNG mining giant's new Managing Director speaks out on Ok Tedi's future.

HARD LESSONS FOR US LAWMAKERS 23
Think tanks caution those who make US Pacific Policy.

ANZUS SPLIT TAKES ITS TOLL 25
The NZ military has been blitzed by the treaty breakdown.

THE PACIFIC ECONOMY: A SPECIAL 9-PAGE REPORT 33
A breakdown of the island economies.

FORUM: RUSSIA IN THE PACIFIC 43
Defence expert Peter Young reveals Soviet ambitions.

ADVENTURE IN STYLE ON THE SEPIK 50
How to cruise the mighty river.



Page 43



Page 24

COVER PHOTOGRAPH: PATRICK RIVIERE/SYDNEY FREELANCE

Departments

OPINION	7	ISLANDS PRESS	47
LETTERS	9	BOOK REVIEWS	48
PACIFIC REPORT	29	SHIPPING SCHEDULES	54
STAMPS	45	OUT OF THE PAST	58
TRANSITION	46		

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PACIFIC ISLANDS MONTHLY 5

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Then there's a Double Auto-Reverse Cassette Deck with Deck I-II relay play for continuous auto-reverse playback, plus synchro-recording for Deck I-II tape duplication, to say nothing of great features like normal/high-speed copy, Music Search, and Dolby* B Noise Reduction.

Still, there's more to the X-550R than this, and more to NEW PERSONNA PLUS than the system X-550R—like the X-880R, with 440W of high power (PMPO), and the X-220, with 270W (PMPO), for example. The point is that it is the beauty of pure sound and NEW PERSONNA PLUS that lets your imagination take flight!

X-550R



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OPINION

A Recipe for Ruin

In his bid to turn back the clock, Colonel Rabuka is setting the new Fijian Republic on a collision course with disaster.

One of the inevitable consequences of Colonel Sitiveni Rabuka's drive to lead Fiji back into what he and his Taukei Movement supporters choose to believe was a "Golden Age" was to lose some old and powerful friends. The Monarchy, Great Britain, Australia, New Zealand, the United States, India and others all moved with haste to dissociate themselves from the actions of the military coup leaders.

But Fiji under Rabuka will not want for allies. Already Indonesia, Singapore, South Korea, Taiwan, even France, are negotiating trade and other reciprocal programs with the new republic.

Whether the new Fijian republic is now equipped to deal with the hardened deal makers of its new-found friends remains to be seen. Certainly the naive timbre of

many of its confused and conflicting statements on trade and defence would indicate that Fiji would be fair game for hard-nosed "partners". However, it will come as a surprise to absolutely nobody that there exist some other would-be "friends" of Fiji who are sitting back, waiting and watching.

Libya and the Soviet Union are past masters at the shadowy art of exploiting a destabilised country. They will have found much to encourage their ambitions in Colonel Rabuka and his followers' erratic lurch to power. The Gaddafis and Gorbachevs of the world need fallow ground to sow their seeds. The new republic's stance that an economy in tatters is an affordable price for a return to an ethnically pure agrarian society, adhering to the system of chiefs and unpolluted by Western influences, is fertile territory indeed.

The Taukei vision of Fijians reverting to an 18th century economy in tribal villages betrays a limited grasp of reality. Taukei's dream of a "racially pure" Fiji purged of Indian influence and industry, without Western trade and defence pacts, and with a press, judiciary and trade unions muzzled by military muscle is a recipe for ruin. So weakened, so chaotic, so friendless, would such a Fiji be that it would be ripe for the plucking by a predatory power.

While researching his account of events in Fiji that begins on page 10 of this issue, our reporter Nicholas Rothwell — himself one of many press people incarcerated after the September 26 coup — did what Taukei seemingly has never done. He visited the Fiji Museum to catch up on a little history. There, available for everybody to read, is information that puts the lie forever to Taukei theories of racial purity.

The Movement's single origin theory is demolished by archeological evidence that establishes that like many, many others', Fiji's culture and people evolved through a long and confused blending of many races. Similarly, history shows that the pre-British Fiji so lovingly and longingly evoked by Colonel Rabuka and the Taukei Movement was a "nation" characterised by civil war, espionage, blackmail, bloodshed and subversion, and one that was easily taken over by a larger power.

The Colonel and his Taukei advisers would do well to heed the history of their homeland as it really was, not as they would like it to have been. They would do well to file their simplistic, revisionist version of events where it belongs — under "Fiction" — and to temper their dangerous ideological zeal with a practical, hard-line approach to solving the problems of Fiji. These problems include those they have themselves created, as well as those that wrought the undeniably well-founded discontent of native Fijians in the first place and which are endemic to any multi-racial society. If the country's new leaders do not, they will propel Fiji — the land they profess to love so much — not into a Golden Age, but into a Dark Age.



Fiji today: conflict and violence have replaced reason.

OPINION

The US: A Need for Compassion

NEVER before has a strong, fair and compassionate United States presence in the Pacific been so needed. Today the region is struggling with a host of problems that reflect just how complicated and demanding the Pacific has become for all nations, including the US, that would claim a stake in its future.

Nuclear issues, political and racial differences in Fiji and New Caledonia, an increasing Soviet and Libyan presence, Japan's growing financial role, fishing boundaries and treaties: all have to be faced squarely — and resolved.

In the days when the Pacific was an "American lake", the US had to do little more than send a little money here, a little muscle there, to keep its friends and preserve its interests. But such desultory involvement is no longer enough. The findings of recent studies and think tanks commissioned to gauge the Pacific's attitudes to the United States and to advise policymakers in Washington make it clear that while the region is not generally hostile to the United States, there is widespread disappointment with many of its policies.

America has been accused by island nations at various times of being heavy-handed, out of touch with the realities of the region and unduly driven by its own self-in-

terest. Such criticism has stemmed from the United States' implacable opposition to a nuclear-free Pacific, its disinclination to distance itself from French colonial policies and bomb tests, its seeming acceptance of the actions of Colonel Rabuka and its fishing within island nations' boundaries.

Such alienating policies often spur disaffected countries to turn to the Soviets, Libya and France; past masters at exploiting such disaffection. Vanuatu, Fiji and Nauru spring to mind.

The United States represents one of the best hopes for a peaceful, economically viable Pacific for the rest of this century and well into the next, but it must absorb some hard lessons. It needs to dispense its aid and influence and to formulate its Pacific policies with careful thought and compassion, and only after lengthy consideration of the needs of each country. As the think tanks so correctly recommend, the United States should recognise the Pacific's right to dignity and a degree of development that accords with its cultures.

If America heeds these lessons it will be doing much to contribute to a strong, secure Pacific. And that is in everyone's best interest.

PNG Chases the Tourists

WHILE IT is not exactly languishing, tourism in Papua New Guinea is in need of a significant boost. The PNG Department of Civil Aviation, Tourism and Culture has identified many of the reasons for the country's poor performance in its recent Five Year Tourism Development Plan; among them an inconsistent Government approach, inadequate promotion, high costs and a law and order situation "perceived as dangerous in the main international markets".

Which is not to say that tour operators, hoteliers and resort managers are in difficulty: interest is still strong, but factors outside their control are limiting tourist interest and access. The Government is moving already on several of the Plan's recommendations, and a recent media tour to the Sepik and its fascinating diversity of landscapes, cultures and people is described on Page 50.

The challenges are twofold. As the Five Year Plan says, overseas "media editors should take a more responsible approach . . . and avoid sensational headlines." It is certainly true that violence, rape and murder in PNG receive prominent coverage in Australia and New Zealand, especially when victims are European. But the inconsistency of editorial attitudes, which fail to acknowledge that Sydney or Auckland are far more dangerous and violence-prone than PNG, cannot begin to be combated until the Department's promotion budget is closer to the recommended K25 million than its 1987 total of K523,000.

The second challenge is to broaden the market base of tourism in PNG: to attract a greater number of visitors with more attractive exchange rates and prices, improved

access and better facilities. The current value of the kina is doing little to bring visitors: the Government's aim of preserving PNG's traditional culture is a laudable and mature one, but it must be balanced with the realisation that culture and tradition are dynamic.

Only by encouraging tourists can the income from tourism be used to protect the very things that attract visitors — and only visitors can convincingly give the lie to the sensational headlines. □

Traditional ways lure visitors to PNG.



Letters

PRAISE FROM PM WINGTI

Congratulations to News Limited on the new-look *Pacific Islands Monthly*. Indeed, *Pacific Islands Monthly* is playing a vital role in the life of the island nations. We enjoy your publication and look forward to more of your interesting coverage of events in Papua New Guinea.

The Hon Paia Wingti
Prime Minister
Papua New Guinea

FIJI: THE REAL TRAGEDY

The tragedy of the two Fiji coups is that there is more at stake than just native land rights, as so many people sympathetic to Rabuka pretend. The democratically elected Government of early May was a coalition not only of Indians but also of progressive native Fijians. Bavadra himself, the Prime Minister, was obviously a Fijian. The land laws of Fiji could not have been changed without major native Fijian support.

To accuse the Indians of Fiji, who have lived there for generations and have contributed so much to its economy, of wanting to take all power away from the native people is therefore, in my opinion, a distortion of reality.

I can understand, in light of what has happened to the native people of Hawaii, and what the French are perpetrating in New Caledonia, why native Fijians would feel militant about protecting their rights. But are Rabuka and the chiefly hierarchy really doing that?

The real issue in Fiji is that the established, conservative leadership of the Council of Chiefs and the old-line Alliance big-wigs are trying to protect their own privileged status at the expense of popular reforms that could help all Fijians, native and Indian. The Army is pretending to keep order but is really ending true democracy forever for the common people of Fiji in order to protect the interests of the old elite.

David A Chappell
Sea View Avenue
Honolulu, Hawaii

MEAD ACCURACY QUESTIONED

I have read Joseph Theroux's review of Derek Freeman's book in your magazine and read Freeman's response. But for me, the real question is whether or not Margaret Mead was a reliable reporter, ascertained the facts, and then reported them correctly. Other evidence, unrelated to Samoa, becomes relevant with reference to Mead's accuracy in reporting. I suggest that persons interested in this question

read both the section on "gentle Arapesh" in Mead's *Sex and Temperament in Three Primitive Societies* and Fortune's paper, "Arapesh warfare", *American Anthropologist*, 1939, 41, pp 21-41.

Fortune certainly did not regard the Arapesh as gentle.

I am sure that existing records to do with the Australian governance of New Guinea would provide useful information concerning the relative accuracy of Mead's and Fortune's depiction of the Arapesh.

Ronald C Johnson
Professor and Acting Chairman
University of Hawaii at Manoa
Honolulu

NUCLEAR INSANITY

Re the article on US Secretary of State Mr George Shultz and his views on nuclear testing (*Pacific Islands Monthly*, August). Surely a man in his position must know that no nuclear testing is "safe" — where does all the waste go?

World peace cannot be achieved by a nuclear arms build-up. The French should also have enough sense to know that nuclear testing is insane. I am certainly not anti-American or, for that matter, against any nationality, but this useless testing must cease if we are ever to protect our environment.

If nuclear weapons are safe, test them under the Eiffel Tower or in Lake Tahoe. Spare innocent South Pacific islanders the tremendous harm caused by this testing. But maybe I should be careful or I'll find a limpet mine attached to my dugout canoe someday.

Richard Thomas Joyce
Peace Corps Volunteer
Solomon Islands

YOUR NEW-LOOK MAGAZINE

Congratulations on *Pacific Islands Monthly*. The Pacific region is experiencing the most dynamic changes in its history — coups in once-stable Fiji, history-making elections and referendums, all against a backdrop of unprecedented power playing by major nations with vested interests. Thanks to *Pacific Islands Monthly*, we now have a top quality publication that reports and analyses with style and accuracy. Your new-style magazine is long overdue and going by the October issue you have become the indispensable source of Pacific news and views. I hope you will maintain your high standards.

Charles Winton
Remuera Rd, Auckland
New Zealand

PACIFIC ISLANDS

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FIJI

Rabuka's Republic

The Colonel and his untried Council face a future beset with questions — and problems. History will judge their success. By NICHOLAS ROTHWELL.



Colonel Rabuka: struck with stunning efficiency.

COLONEL SITIVENI Rabuka's newly-declared Fijian Republic inherits a wealth of problems, a dearth of leaders and an economic outlook redolent of the Third World.

When the Colonel proclaimed his nation a republic, making his announcement with theatrical timing at midnight on October 6, he was already aware international opinion had condemned his second military take-over and the economic consequences would be staggering; but even the possibility of sanctions did not perturb him. Of course, if imposed, they would hurt, he conceded, but Fiji would "survive".

The Colonel's second intervention has a steely resolve absent from the May take-over. The September 26 coup was swiftly followed by the revocation of the 1970 Constitution, Rabuka's proclamation that he was now "head of state", the further devaluation of the Fijian dollar, declaration of a republic and announcement of a new Council of Ministers. All was done at breakneck speed, with little compromising or consultation.

The Commonwealth Heads of Government, meeting in Vancouver in mid-October, decided after hurried consultations to expel Fiji from their ranks; Queen Elizabeth announced the Governor General, Ratu Sir Penaia Ganilau, was stepping aside. The declaration of the Fijian Republic was accepted as a fait accompli despite murmurs of regret from Buckingham Palace. Commonwealth leaders had clearly decided to minimise the confrontation with the new regime in Suva — British diplomats are believed to have sent a message to the Colonel, suggesting that as far as possible Fiji would not be adversely affected by the expulsion, widely seen as a temporary measure.

Australian Prime Minister Bob Hawke was in the vanguard of those advocating an expulsion for a suitable period; but Fijian officials, relieved by the course followed at the Vancouver conference, were confident their international relations would not be wrecked by the move. "We will apply to be readmitted as soon as we receive official notification of our removal," one senior regime figure said after the CHOGM conference.

Colonel Rabuka always knew there would initially be determined resistance to his scheme; he detained key political

opponents and intimidated mainstream leaders of the establishment Alliance Party, which largely represented Fijians, while his soldiers consolidated their renewed grip on power during the first days of "Coup II". He isolated the Governor General, Ratu Sir Penaia Ganilau in Government House, closed down or controlled the local media and placed limits on the freedom of the overseas press corps. Repression of trade unions came swiftly in the wake of the declaration of the republic; political activities by the Coalition parties of the Prime Minister deposed in the May coup, Dr Timoci Bavadra, have been limited. Functions of the senior members of the judiciary, loyal to the Governor General, were simply suspended, and the public service purged.

The coup's leaders are men who believe power comes out of the barrel of a gun. Their stunningly simple strategy was to take control, in the name of national security, and wait for more moderate, centrist Fijian leaders to accept their demands; despite the confused and fast-moving flux of political manoeuvres in Suva as *Pacific Island Monthly* went to press, it seems evident that this was a well-calculated gamble, and such key figures as the Governor General and former Alliance Prime Minister Ratu Sir Kamisese Mara, or other politicians and chiefs of lesser calibre, will eventually lend their weight to a negotiated resolution of Fiji's crisis that takes some account of the Colonel's platform. Their names are logical candidates to serve as the Republic's first President. If they do not take the post, Rabuka himself is emerging as the likely choice.

Most ethnic Fijians have nationalist sentiments and are susceptible to appeals to "save their country"; responsive to this chord of sympathy, the regime's leaders have promised a return to a form of modified democracy — elections under the new regime will be held in a year's time, a new constitution is being readied for release next month, and voting will be enshrined in it along the strictly ethnic lines the Colonel's advisers favour.

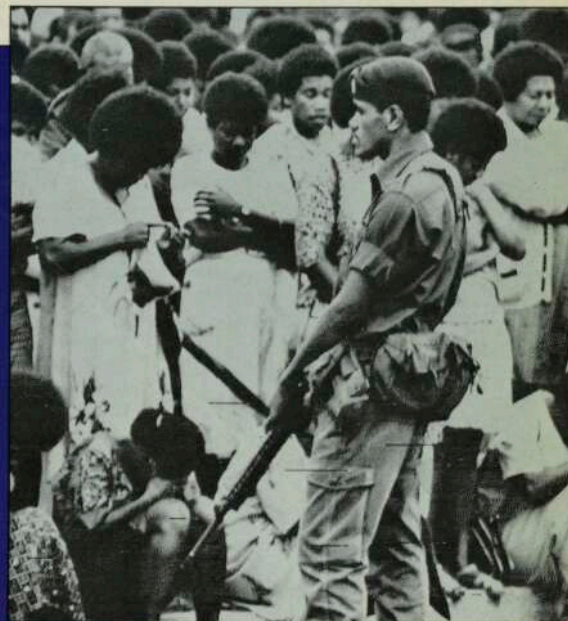
The Army had strange partners in its second assumption of control; the shadowy, ultra-nationalist Taukei Movement, which sprang up in the days before the May coup, had solidified into a tightly-knit organisation complete with ideology and action program: together, the Army and the Taukei once again danced an elaborately choreographed *pas de deux*, with the extreme nationalists both warning of violence and appealing for the Army to prevent it, even as the military exploited the threat of trouble to subvert the Governor General's politics of reconciliation.

Links between the Army and the Taukei were close, but interviews with politicians, soldiers and Taukei spokesmen suggest the Colonel acted on his own initiative. Rabuka could use the Taukei as the pretext for his second coup, in reality a

classic seizure of control by an officer corps. The Taukei could provide the Colonel with a ready-made group of politicians prepared to implement a program he found acceptable. In this way, the first coup created a power vacuum; as the Governor General moved to fill it with conventional politics, the Colonel intervened again. In the vacuum there sprang up an ideology for the times, bristling with clean-cut, military ideas and solutions; and it is this Taukei ideology which seems set to shape Fiji's political future — a future where

two coups, and confidant of the Colonel. Raikivi was the influence that persuaded Rabuka against a course of compromise, and pressed him to repudiate a surprise deal clinched just five days after Coup II between Bavadra, Mara, Ganilau and himself to reinstate negotiations between the major political players. Both priest and politician, Raikivi devised the strategy of information and communications control that marked the early days of Coup II. This overtly racist adviser's prominence gave crucial clues to Rabuka's true aims: his

"The coup's leaders are men who believe power comes from the barrel of a gun"



notions of race and exclusion will predominate.

Despite the lack of clear co-ordination between the soldiers and the Taukei on the morning of Coup II, Taukei spokesmen resorted to a wild and anxious frenzy of threatening rhetoric to kick the soldiers into action. The connections are evident in the Council of Ministers Rabuka appointed in early October; two members of the Alliance party with early ties to the Taukei movement, Filipe Bole (Foreign Affairs) and Apisai Tora (Primary Industry) are matched by the founder of the exclusivist Fiji Nationalist Party, Sakeasi Butadroka (Lands and Mineral Resources) and a collection of more closely aligned Taukei figures: these include the Baptist Minister Ratu Inoke Kubuabola (Information), Taniela Veitata (Employment and Industrial Relations), and the two best-known Taukei officials, Ratu Meli Vesikula (Fijian Affairs) and Adi Litia Cakobau (Women).

But the crucial intermediary between the two blocs was the Svengali-like Tomasi Raikivi, a Taukei adherent, "information adviser" in the Governor General's Interim Administration that bridged the

biblical zeal, preference for simplistic solutions and contempt for western ways and institutions set the tone and provided the context for the Colonel's actions.

Taukei provided the spur; the deeper justification, clung to with almost childish tenacity by Rabuka, came from the traditional Great Council of Chiefs, the body of elders that met after the first coup to devise a suitable revision of the nation's constitution to guarantee Fijian interests. The Great Council's views were reflected in the findings of Ratu Ganilau's Constitutional Review Commission, which last August proposed a 71-seat unicameral parliament with 41 seats reserved for Fijians; the Great Council also said the head of state (at that time, the Governor General) should be appointed by its own decision. As the politicians moved towards a compromise during the Deuba talks late in September, noting the Great Council's position but not automatically endorsing it, Rabuka and his circle of advisers felt betrayed: in the wake of Coup II, the Great Council is certain to play a vital role in Fijian politics, as the stalking-horse for the Colonel's own preference.

This may be one of the most important ►

◀ effects of the Colonel's actions. Until May this year, Fiji was progressing fast into the world of modern politics. The authority of the chiefly system was being eroded, and Dr Bavadra himself represented the triumph of pluri-ethnic, non-traditional politics. His besting of the high chief of Lau, Ratu Mara, was a symbol of this change — a shocking symbol to the Great Council, whose members, offered a chance by Rabuka's first coup to reassert their authority, naturally turned away from the path of one-man, one-vote democracy and sought to enshrine their own institution as the paramount body, looming above the parliamentary system.

After Coup II, the Great Council's scheme remains intact. The Colonel is attempting to turn back the clock — to re-join the traditional, and political, systems of authority that were beginning to be prised apart in Fiji. In this sense, his action was aimed not against Ratu Ganilau and Ratu Mara as high chiefs, but against the two men as collaborators in the secular betrayal and marginalisation of the Fijian Taukei in his own land.

This idealistic, atavistic motive lurks inside the minds of the coup-makers, together with a determined spirit honed sharp by methodist sentiments of self-sacrifice. A return to the traditional system is held so dear its economic cost is seen as of little consequence.

As the dollar was devalued on October 7, for the second time in three months, Rabuka described the 15.25 per cent lowering of the currency's value as nothing more than a "short-term repercussion" of the take-over.

"The establishment of the republic and firm government will invite grounds for a return of investor confidence," the Colonel suggested, even as his nation's foreign reserves hovered near the \$F100m mark. Indeed, the Colonel, on the same day he revoked the 1970 Constitution, made a chilling radio broadcast to the nation, warning his chosen path would be one of hardship, calling for "self-sufficiency" and hinting at a fantastical vision of the country's future, based on the village traditions and rural development notions so beloved by Taukei ideologues.

Just after the second devaluation, Fiji's leading technocrat, Reserve Bank Governor Savenaca Siwatibau, warned that the nation's finances had to be saved at all costs, stressing the extent of the austerity measures being imposed: "And if some businesses are not efficient enough to survive, too bad — they can't be looked after at the expense of the country."

An initial, late June devaluation of 17.75 per cent had managed to stem some of the outflow of capital after the first coup, and the all-important tourism industry was staging a patchy recovery — but Fiji's inflation, rising even before Coup II, is now set to increase even further.

No less an authority than Ratu Mara,

in remarks reported by his son, Ratu Finau, contended in the wake of the second military intervention that the nation was headed for a devastated economic future, and would be bankrupt and short of food by the end of this year.

As in most Pacific states, the economic and political are intertwined, and Fiji's diplomatic isolation and parish status will almost certainly have profound effects on such vital areas as sugar sales to Commonwealth member nations. Australian companies have shelved projects worth \$A200m as a result of Coup II, tourist revenues are denied Fiji as a result of cancelled airline schedules, while the

inevitable problem of flight of skilled Indian professional labour looms.

Even worse, Fiji's Indians wield an economic weapon they came close to deploying in July and August — a boycott of the all-important cane harvest. Although both Indian and Fijian community leaders, for their different reasons, played down the short-lived harvest boycott, there was no doubt Fiji's economy was hostage to the well-organised cane-field workers. Experts say the Army and Fijian population would be unable to bring in the crop, while the actual cane-crush is highly vulnerable to acts of sabotage of the kind threatened in the months after the first coup.

CHOGM: Fiji Out in the Cold

COMMONWEALTH HEADS of Government formally declared that Fiji is no longer a member of the Commonwealth at the CHOGM leaders' retreat, Lake Okanagan, Canada, on October 18.

Despite a plea from Colonel Rabuka, membership has lapsed with the emergence of the new republic; but the door to readmittance has been left open with an announcement that "a resolution of the problem by the people of Fiji" — if necessary, with Commonwealth assistance — could see a reconsideration of Fiji's membership at the next CHOGM conference in 1990.

The formal statement, delivered by Canadian Prime Minister Brian Mulroney, indicated that Fiji might reapply for membership once acceptable constitutional arrangements had been made and expressed Commonwealth leaders' "sadness" at the proclamation of the new republic and the resignation on October 16 of Fijian Governor General Ratu Sir Penaia Ganilau.

Official Fijian response reflects some division about the republic's attitude to Commonwealth membership. Mr Jona Senilagakali, permanent secretary of the Foreign Affairs Ministry, said on Saturday, October 17 that Fiji would reapply for membership within six months, while his Minister, Mr Filipe Bole, told AAP next day that Fiji would not make any hasty decisions. The republic would "develop a strategy bearing in mind that the new Constitution would guarantee ethnic Fijian supremacy in Parliament," he said, adding that Commonwealth membership had lapsed. "We were not expelled," he stressed.

The CHOGM conference was the scene of heated discussion over Fiji's membership status, with British PM Margaret Thatcher standing virtually alone against a coalition that included



Queen Elizabeth and Canadian PM Mulroney: preoccupied by events in Fiji.

Australian PM Bob Hawke, India's Rajiv Gandhi, New Zealand PM David Lange, Dr Kenneth Kaunda of Zambia and Mr Robert Mugabe of Zimbabwe.

With the support of fellow Commonwealth leaders and the Queen, Mr Hawke managed to outmanoeuvre Mrs Thatcher, who sought to keep Fiji within the Commonwealth, declaring her position "an untenable charade". Mrs Thatcher's refusal to consider any more than token sanctions against South Africa so angered other leaders that all 47 of them supported Mr Hawke's attack on what he claimed was a campaign of disinformation by Mrs Thatcher.

Although Commonwealth leaders were united in their opposition to Mrs Thatcher, Indian Prime Minister Rajiv Gandhi took a harder line against Fiji than Mr Hawke, comparing the military-backed republic's constitutional changes with the situation in South Africa. The Fijian minority, he said, had "taken over the political and human rights" of the Indian majority.

“Rabuka may find he is obliged to keep Fiji a police state, complete with curfews and news blackouts”

The unspoken fear of all observers is that the rapidly-expanded Fijian army's raw recruits, well-armed and under pressure, may not be able to cope with the inevitable tensions the second coup will force to the surface. The cycle of reactions to such a take-over is well-known, and some reported its emergence after the May coup.

Shock, dismay, fear and anger give way to resolve and resistance. As the moderate Indian leaders have been intimidated or frozen out of the political process, the way is left clear for extremists to emerge. The prospect of compromise and the near-reverential authority in which the Indian community holds Dr Bavadra, a constant voice of calm, have until now kept a lid on terrorism; but Rabuka may well find he is obliged to keep Fiji a police state, complete with road-blocks, curfews and news black-outs, if only to prevent the country descending into ethnic violence.

Yet all these effects and potential developments, difficult to quantify, are less significant over the short-term than the definite change in Fiji's state wrought at a stroke by the two coups.

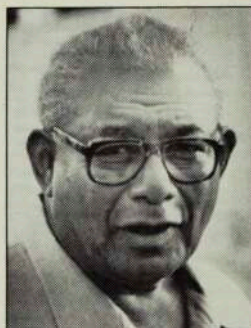
Once the showpiece of the Pacific, held up as a model multi-racial democracy and political and diplomatic leader of the newly independent island nations, Fiji is now, even if unfairly, perceived as the Ocean's trouble-spot, symbol of failed institutions, broken trust and hostility between rival peoples and cultures — the post-colonial experiment that went bad, the example every contending Pacific party

draws on to show what must not be repeated.

This has led to a sharp change in the attitudes Pacific region states take towards Fiji. The reasoning follows simple lines: one coup may be carelessness; a second is harder to forgive. Not only did the toppling of Bavadra pose an exquisite dilemma for the more radical, newly-independent Melanesian states, confronted with the spectacle of a “progressive” government ousted by their own brother Melanesian nationalists; the continued disturbance of the democratic processes most island nations respect has opened a new range of possibilities for the entire region.

Suddenly, the Pacific seems a cockpit of social and political tensions, with Fiji itself, crossroads of Melanesian and Polynesian influence, meeting-point of post-colonial design and native intent, perhaps only the first country to redefine its own internal system.

The “great powers” of the Pacific, Fiji's traditional allies Great Britain, the USA, Australia and New Zealand, have all condemned the coup, as have the Melanesian Spearhead member nations — Vanuatu, Papua New Guinea and the Solomon Islands — although Vanuatu's Prime Minister Walter Lini and Papua New Guinea's



Ratu Sir Penaia Ganilau

Paia Wingti have both stressed the view that Fijians should be allowed to resolve their own problems. But Polynesian Tonga, intriguingly the major cultural influence on Fiji in the years preceding British colonisation, also has much in common with post-coup Fiji; it is a monarchy that leaves little room for other races and enshrines methodism as a state religion.

For all the Colonel's confidence that he was fulfilling his obligations to Fiji's people by intervening once again, he may have dealt not only his country, but also the entire region's political culture, a savage blow.

Under the surface of well-policed calm, Fiji is now impossibly divided, its key leaders still possessing different visions. The communities are split down stark ethnic lines: the largely Indian population west of the main island could well aim at secession, while even the traditional chiefs, clear beneficiaries of the second coup, are far from unified.

As Colonel Rabuka seeks to gather up the shattered fragments of the nation he hoped to unify in the proud spirit of its traditions, he could well cast his mind back to the reality behind the prelapsarian Fiji he imagines existed before the British came.

As the Fiji Museum catalogue suggests, the Taukei dogmas of Fijian racial purity are unfounded: “The archaeological record establishes that the Fijian people and culture varied widely with time, evolving through thousands of years of dynamic and confused blending of ancestral Polynesian, Melanesian and west Polynesian peoples.”

As for the idyll of Fijian social life under the chiefly system, that dream of perfection Rabuka held up as his model, when he addressed the nation on September 25, speaking softly of “the hopes and expectations of the Taukei”, the historical record paints a rather different picture — of a nation warring and divided: “by the early 1800s chaos reigned, the country being plagued by both local feuding and increasingly bloody civil wars — the heritage of a convoluted web of social relationships from a less-organised era meant this more extensive campaigning could only be sustained against a background of espionage, intrigue, blackmail, and subversion.”

Fijians, and the people of the whole Pacific region, must hope history is not poised to repeat itself. □



Colonel Rabuka reviews his troops.

PATRICK RIVIERE/SYDNEY FREELANCE



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Council of Ministers: Who's Who

PATRICK RIVIERE/SYDNEY FREELANCE



Home Affairs and Public Service: Colonel Sitiveni Rabuka

The Home Affairs portfolio includes the Armed Services and Navy. The Public Service Department controls the civil servants.

Foreign Affairs and Civil Aviation: Mr Filipe Bole

A former cabinet minister in the Alliance Government, he is an education expert. An experienced civil servant.

Finance: Ratu Josua Cavalevu

Served at Brussels as Fiji's representative to the EEC. On his return to Fiji he was Permanent Secretary to the Minister for Fijian Affairs. A moderate.

Economic Development, Planning and Trade Industry: Mr Isimeli Bose

Mr Bose has worked in commercial organisations. In last election managed the Alliance Party's campaign. A strong party man. Present political leaning is unclear.

Education: Ratu Filimone Ralogaivau

An experienced civil servant, he resigned position as a Labour Officer to join Labour Party. Contested and won seat in now-dissolved Parliament on the NFP/Labour Coalition ticket.

Primary Industry: Mr Apisai Tora

Colourful and controversial, outspoken and a rebel from early days in trade unionism. Has strong personal support and influence in the Nadi area. Led his own National Democratic Party which merged with the Indian based Federation Party to become the National Federation Party. Was elected to Parliament on the NFP ticket in the April, 1977 election. For the 1982 election joined ruling Alliance Party and given a Cabinet portfolio. In the

last election was re-elected to Parliament. Leader of Taukei.

Indian Affairs: Mrs Irene Jai Narayan

Renowned for fearless advocacy of "Indian" rights. Inclusion in Military's Council of Ministers surprised even her closest supporters.

Land And Mineral Resources: Mr Sakeasi Butadroka

Leader of Fijian Nationalist Party whose slogan is "Fiji for the Fijians".

Health: Dr Apenisa Kurisaqila

A medical doctor. Entered politics in 1982, and named Minister for Health and Social Welfare. Regarded as a moderate.

Forests: Ratu Josaiia Tavaiqia

A high chief from the village of Vuda, he holds the title of Tui Vuda. A Minister of State for Forests in the Alliance Government, has considerable following. Sympathetic to Taukei.

Employment And Industrial Relations: Mr Taniela Veitata

A trade unionist known for his rebel-style leadership of the Dockworkers and Seamen's Union, was elected to Parliament for the first time this year on an Alliance Party ticket. Supporter of Taukei.

Housing And Urban Affairs: Mr Livai Nasilivata

His last appointment in Alliance Party was that of Minister of State for Co-operatives. Regarded as a moderate.

Communications, Works and Transport: Mr Viliame Gonelevu

An engineer, first entered politics and Parliament in this year's general election. A known advocate of greater rights for indigenous Fijians.

Fijian Affairs: Ratu Meli Vesikula

Back row: Isimeli Bose, Taniela Veitata, Apenisa Kurisaqila, Jone Veisamasama, Navitalei Naisoro.

Middle row: Viliame Gonelevu, Apisai Tora, Ratu Kubuabola, Ratu Ralogaivau, Tomasi Raikivi, David Pickering, Filipe Bole, Kelemedi Bulewa, Kavi Solomone.

Front row: Josua Cavalevu, Ratu Tavaiqia, Adi Litia Cakobau, Col. Sitiveni Rabuka, Ratu Vesikula, Sakeasi Butadroka, Livai Nasilivata.

An army officer. Critic of Bavadra Government and in forefront of campaigns demanding greater political power for indigenous Fijians.

Attorney General And Minister of Justice: Mr Kelemedi Bulewa

Mr Bulewa has been running his own law practice in Suva.

Women And Culture: Adi Litia Cakobau

Daughter of high chief Vunivalu of Bau chief and former Governor General Ratu Sir George Cakobau. Supporter of Taukei.

Information: Ratu Jone Kubuabola

Church minister. Supporter of Taukei.

Rural Development: Mr Jone Veisamasama

Advisor in the Governor General's Council of Advisors. Supports Taukei.

Social Welfare: Rev Tomasi Raikivi

Methodist minister. Taukei supporter.

Tourism: Mr David Pickering

Elected to Parliament in this year's election as Alliance candidate. Was Alliance leader's nominee to the "Peace Talks".

Permanent Secretary to the Executive Council: Navitalei Naisoro

Youth and Sport:

Lt Col Kaci Solomone

□

VANUATU

Embattled Lini Set to Win

Election preview by NICHOLAS ROTHWELL in Port Vila.

VANUATU'S ruling Vanua'aku Pati Government is poised to secure a further term of office in the forthcoming general elections, despite the formation of determined new Opposition parties and the emergence of serious problems within the ranks of the VP ruling elite.

Long-term Vanuatu opposition leader Vincent Boulekone of the Union of Moderate Parties (UMP) has been joined by other forceful politicians in a campaign against the Government of Prime Minister Father Walter Lini, who has been at the helm of the nation since independence was attained in 1980. Although the newer opposition parties are far smaller than the UMP, and are unlikely to be able to agree on a coalition approach to running candidates and campaigning, the recent successes of opposition parties in regional elections suggests the VP now has a serious fight on its hands.

Early in October, in a move by the Government that neatly fused its chief domestic and foreign preoccupations, Vanuatu expelled the French Ambassador, Mr Henri Crepin-Leblond, alleging that he had given substantial financial aid to the largely francophone UMP. This action both highlighted the linguistic split that still forms the chief fault-line of Vanuatu politics, and pointed to the growing concern felt by the VP over the UMP's new-found prowess.

The head of the VP re-election committee, Foreign Minister Sela Molisa, in an interview with *Pacific Islands Monthly* in Port Vila, was at pains to describe his party as "not at all worried about the new political parties" — principally, the National Democratic Party, created a year ago by the charismatic Mr John Naupa, a former member of the ruling VP's inside circle, and the Labour Party established by unionists under Mr Kenneth Satungia.

"The VP has its base and support in the grass roots — this coming election will be another victory for the VP, we should easily win a clear two-thirds majority of 30 seats, and any number near 30 is what we're heading for," Mr Molisa stressed.

Observers in Port Vila feel that the VP should secure re-election — even if only by a slender margin. This result is likely because new seats, mostly in VP strongholds, have been created, expanding the Parliament to a total of 46 seats. But the UMP's Mr Boulekone, encouraged by regional council elections that almost toppled VP control of the main island of the archipelago, Efate, and gave the UMP control of the northern island, Santo, be-

lieves his grouping could tie with the VP at 23 apiece. In the last Parliament the UMP had 15 out of the 39 seat total.

Mr Boulekone's confidence seems to be buoyed largely by the current problems within the VP — but in the half-stated world of Vanuatu politics, where the strengths of parties can best be judged by the reactions of their rivals, a rising temperature of struggle and controversy, intensified by the approach of polling day, is quite evident, and lends some credence to his contentions. The NDP's Mr Naupa, who appears to be a conservative social democrat in his ideals, is the crucial new factor in the Vanuatu political equation. His resignation from the VP while serving as a Government Minister in 1983 was a body blow to the party, and his recent decision to enter active opposition has undoubtedly worried VP political cadres, who must fear that his organisational skills, matched with the UMP's broad-based support among the francophone population, could spell trouble for their own candidates.

Mr Naupa has focused on several critical problems for the VP. First, he says the health of Father Lini, whom many expect to step down after this election, is too poor for him to continue as leader of the nation, in the wake of the serious stroke he suf-



Many expect Lini to step down after the election

fered last February; second, the internal problems of the VP, especially the debacle over its costly project to create a wholly owned national airline, Air Vanuatu; and finally, the policies of the VP.

But significantly, the NDP platform is

Champion of Non-Alignment

Foreign Minister Sela Molisa's world view.

VANUATU'S RADICAL, non-aligned foreign policies spring from the fiercely independent thinkers of the nation's Foreign Affairs Ministry, under the leadership of the Minister, Sela Molisa. Mr Molisa's studies in Fiji and his contact with the other members of the South Pacific's new generation of leaders have helped him and his staff develop a foreign policy that is an intriguing mixture of pragmatism — on issues such as trade and development — and radical idealism where causes such as the nuclear-free Pacific initiative are concerned.

Speaking in the wake of the September referendum in New Caledonia, Mr Molisa said Vanuatu would continue to put pressure on France, in the United Nations, to grant the territory's independence.

But with the expulsion of the French Ambassador by Vanuatu, the entire

sphere of relations between the two nations, even in such areas as aid, is under review. Analysts have suggested the expulsion was triggered not only by anxieties over the francophone opposition's new prominence but also by the New Caledonia vote, still felt by the Vanuatu Government as a visceral blow to the cause of Melanesian independence. Mr Molisa said, "What we are saying is it's a colonial situation where a colonial government has imposed colonial policies in New Caledonia on a people who have a right to self-determination."

Mr Molisa is quick to describe the fate of New Caledonia, a fellow Melanesian nation, as "our most important foreign policy issue, and does not fight shy of stern language in describing the situation: he views French conduct as "arrogant". But he concludes that Vanuatu will offer only moral support and says the French Government will only be in-

in many respects identical to that of the VP, and Mr Naupa says, "the VP has not followed its own ideology". He feels Father Lini is no longer in charge, and will be pushed out after the elections have been safely won by the VP under his leadership. "The NDP is looking at the possibility of two or three seats — if we and the UMP can co-ordinate, the chances for the Opposition are good, and we have offered co-ordination."

The NDP leader is among local observers who see the current election campaign as a crucial challenge for the VP precisely because of the party's internal divisions. This school of thought traces a split between Father Lini's "northern group" which includes Foreign Minister Molisa and his influential wife Grace, and the "Vila group" based around the powerful politicians from Ifira Island in the capital's harbour. Their number includes Lini's current deputy Kalpokor Kalsakau and the VP Secretary-General, Barak Sope, whom many see as the real power in Vanuatu. But a question-mark hangs over Mr Sope's political future following a reported dispute with Father Lini over his role in the Air Vanuatu affair.

If the UMP and NDP pose problems for the VP, the ruling party, which once was the unquestioned dominating force in Vanuatu politics, also faces challenges from another quarter: two small parties representing interests formerly assumed to be sympathetic to the VP have appeared. One, the New Peoples' Party, speaks for disaffected junior civil servants and is led by Mr Fraser Sine, while the other, potentially a vital force in Vanuatu's political development, is the Labour Party, which

was established by trade unionists. Labour's Mr Ephraim Kalsadau, who is also a full-time officer of the trade union congress, believes the VP Government has been hostile towards organised labour and has a "paternalistic attitude" to workers. Labour only expects to win one seat in the elections, although it will run four candi-

"We should easily win a two-thirds majority" — Molisa

dates — but even one seat would give it a say in parliament.

More importantly, the creation of an independent, progressive party deals a blow to the legitimacy of VP claims to represent the ordinary workers of Vanuatu.

But Foreign Minister Molisa, at the helm of the VP re-election drive, dismisses all suggestion of serious problems confronting his party.

Gains by opposition groups in regional votes he puts down to the difference between the two systems — proportional representation for the regions, first past the post in the national election. He doubts the opposition can form a viable coalition because they cannot agree on "who should be their candidate for Prime Minister".

Mr Molisa warned that any "further traces" of financial ties between the UMP

and New Caledonia parties will not be tolerated during the campaign period, but regarded as "foreign intervention in the domestic affairs of this country". Recently, the Vanuatu Mobile Force was dispatched on a mission to raid a number of houses of UMP sympathisers, and a "significant" cache of arms was uncovered.

This alarmed VP leaders and doubtless confirmed their determination to keep all links between the UMP and French interests under surveillance.

For Mr Molisa, the VP itself is a model of collectivity and will be returned precisely because "people in this country know what's going on". He discounts the Air Vanuatu scandal, and stresses that his Government has been quite candid about the expense of the venture and the problems it has encountered. Father Lini, he says, is "getting stronger every day" and he parries comment about splits within the VP elite by noting that "all parties have to disagree on some things — that's normal."

He dismisses the claims of the new Labour Party, stressing that not all unionists are with Labour and that the unionised workforce is a tiny percentage of the electorate.

Despite the emergence of the new-look Vanuatu opposition, complete with party offices, leaflet-printing operations and combative ideologies, the VP is still seen by local analysts as one of the toughest and best-organised political parties in the Pacific region. Its internal difficulties notwithstanding, the VP is still well-tuned to the fine art of getting, and keeping, political power. This skill should be enough to guarantee it four more years in charge in Port Vila. □

duced to shift its stance "when the Kanaks and oppressed people force them to do so".

Vanuatu's well-known policy of opposition to the carefully-worded South Pacific Nuclear-Free Zone Treaty (SPNFZ) advocated by Australia is not set in stone, Mr Molisa indicated. "Our stand has been that we agree in principle with the treaty — some areas are far short of what we had expected."

Mr Molisa hit out at Australian reporting of Vanuatu's ties with Libya, stressing that the issue was not a "major" one in his country and saying the publicity "in our view was not absolutely true".

"The thing about achieving independence is you follow what you believe in, not necessarily what Canberra or Washington says. We believe all our policies are correct, and Vanuatu considers it is right to establish diplomatic relations with Libya — we don't feel guilty — but we don't live in isolation, and we have to be aware of what our neighbours say, and we expect Australia to be the same."

Speaking just before the second military coup in Fiji in late September, the Foreign Minister would only stress the need, highlighted by Fiji's instability, for "people's aspirations" to be met.

Mr Molisa noted that the South Pacific Forum had made an offer of assistance to Fiji — "let's just leave it at that," he ventured, keeping to his Government's position that Fijians should try to work out their own problems.

Although Vanuatu's foreign policy is consistent across the Pacific — Port Vila wants independence not only for New Caledonia but also for France's other Pacific territory, French Polynesia — the crucial emphasis is placed on Melanesian solidarity, and now on the Melanesian Spearhead group, formed at Papua New Guinea's suggestion by PNG, Vanuatu and the Solomons to press for Kanak independence in New Caledonia.

"It is important Melanesia survives in the modern world, but our group has broader interests than just New Caledonia — traditionally, culturally, our people used to travel up and down Melanesia — and today we share a lot of

political views among the Melanesian countries."

On superpower relations, Mr Molisa explained his Government's controversial \$1.5m fishing rights agreement with Moscow in purely commercial terms: "Without that deal we would have had much more trouble recently, because our aid was cut."

The Foreign Minister stressed that traditional ties between Vanuatu and the US were excellent — "In my father's generation, people regarded the Americans as their saviours from the Japanese."

"But they disagree with us on nuclear issues — we hope that it will improve, we'd like to have better working relations with the US in the future and we are hoping the US will help us and the region in development aspirations."

During his visit to Washington made with Father Lini last February — the occasion when Lini was felled by his stroke — the Foreign Minister made some blunt points to his American hosts: "I told them they can shout and shout until kingdom come, but unless they do something we will not heed their shouts." □

NEW CALEDONIA

Sporting Chance for SP Games

Keen competition should save the South Pacific Games. By GABRIEL SINGH.

NOUMEA IS THE setting for next month's eighth South Pacific Games — the island nations Olympics. But the quadrennial event may struggle to live up to its reputation as a spectacle. Organisers are dismayed at an expected drop in competitors to well below the 2500 athletes at the last Games in Apia, Western Samoa.

The Kanak independence struggle prompted security fears and uncertainty surrounded the event, until South Pacific Games Council chairman Western Samoan Peter Paul gave Noumea the "all clear" in September after a personal inspection of facilities and security arrangements.

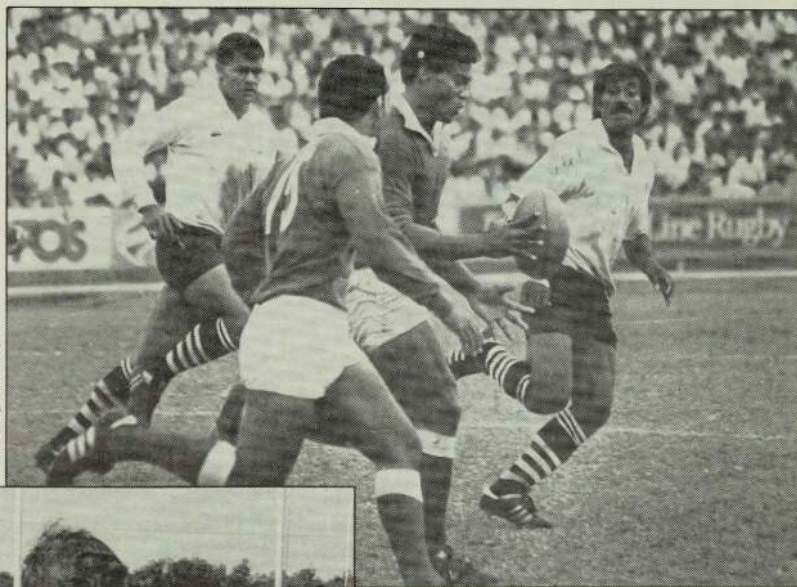
Paul met and received a personal assurance on the safety of the competitors from FLNKS leader Jean-Marie Tjibaou. He was shown a special police report on security for the duration of the Games from December 8-20.

Paul gave Noumea the go-ahead and the news was met with joy by thousands of sportsmen and women. But just as organisers sighed with relief, they were hit by a boycott call by South Pacific Forum Chairman, Western Samoan Prime Minister Kolone. Forum countries, however, have not reacted favourably to Kolone's call but the harsher realities of depressive economic trends could still put paid to hopes of turning this event into the usual spectacular. Already Western Samoan squash and volleyball teams have said they can't afford the trip.

Scarcity of money is felt throughout the region and some countries such as Fiji may not even be able to send even half their projected 300 entries. Fiji soccer became the first sport from the newly declared republic to withdraw from the Games after Colonel Rabuka imposed a total ban on Sunday sports and trading, which brought soccer to a halt. The Fiji Football Association's major earner, the four-day inter-district tournament, was to have provided the \$F25,000 needed to equip the national soccer side. The tournament, to have been played over the 1970 October Independence holiday weekend, was cancelled and local soccer indefinitely suspended.

Other sports federations in Fiji face a similar problem in trying to send a full complement. Fundraising efforts have been low key because of the political upheaval and there is little hope of a government grant.

Sports federations in other countries also face serious problems in raising the money needed to send teams.



Picture by Aspell Lave.



Above: With Fiji out of the SP Games, Tonga should have a better chance in the rugby contest than its 32-9 September defeat. Left: Alain Lazare is the man runners are out to beat.

This eighth Games is expected to be dominated by New Caledonia and Tahiti. Fiji soccer's withdrawal means the French contestants will share gold and silver medals. Fiji played Tahiti in the last two SPG gold medal games, held in Apia in 1983 and in Suva in 1979.

Swimming will be another event to have a strong French flavour, with perhaps token resistance coming from Fiji and Papua New Guinea.

Athletics is the one sport that could go ahead unscathed and provide spine-tingling drama and excitement. Many new stars will emerge and there are old scores to be settled.

One man all runners in his field will be out to beat will be New Caledonian distance running champion Alain Lazare. Lazare won the 1900m, the 3000m steeplechase, the 5000m, the 10,000m and the marathon: in fact, every event he entered at Apia four years ago. The fleet-footed Frenchman is held in awe and his scalp at the SPG will be an unforgettable prize for anyone good enough to beat him.

The men's sprint events are wide open but the 400m gold medal is to be defended by Fiji's ageing warhorse Joe Rodan. Rodan took gold in the 400m and 400m hurdles in Apia but his dominance could come to an end. Like Lazare, he won the gold

medal at the 1979 Suva Games as well.

One of Fiji's most glittering prospects is American-trained decathlete Albert Miller, who won the 1983 decathlon with 6870 points and is confident he can reach the 8000 point mark in this year's Games. But it is in the 110m hurdles that Miller is out to prove a point.

Four years ago many who witnessed the final of this event at Apia Park felt Western Samoa's Willie Fong broke at the start to edge out Miller by 0.2 of a second.

The women's sprints also are up for grabs with previous winners now too old to hold out against youth. The competition will be between New Caledonian and Tahitian runners, with possibly PNG providing a strong challenge. PNG's Elenga Buala and Barbra Ingiro are two sprint hopes although the lithe Atina Bawtell from the Cook Islands could win the middle distance runs of 800m and 1500m. New Caledonia's Nadia Bernard and Fiji's

Donna Gavuleti also have strong chances in these events.

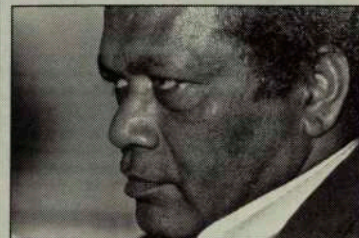
Field events will be dominated by winners or competitors who tested each other in Apia four years ago.

French domination could be broken in some team sports. Western Samoa and Tonga look set for a rugby showdown, since Fiji (which finished eighth in the inaugural World Cup) was withdrawn. Samoa beat Tonga in Suva during August's Pacific Three Nations tournament, won convincingly by Fiji.

PNG could prevail in squash and several other events, generally regarded as minority sports.

Competition at this year's Games may not be world class, and there may be fewer competitors, but that won't make the competition any less keen. Courage and determination create both upsets and unlikely heroes... and there will be plenty of those in Noumea. □

Dirty Tricks in the Big Apple?



JEAN-MARIE Tjibaou, President of the Kanak Socialist National Liberation Front, claims to have been a victim of French "dirty tricks" in New York just prior to his appearance before the Fourth Committee of the United Nations General Assembly. On October 4, the Kanak leader became "extremely ill" following a dinner engagement in Manhattan, and was so sick he was unable to address the committee — which specialises in decolonisation matters — the following morning.

According to Vanuatu's UN Ambassador, Robert van Lierop, it is suspected the FLNKS chief was drugged to prevent his speaking before the UN body. Tjibaou's health is generally good and he recovered by October 7, when he finally delivered his speech.

An official at France's UN mission in New York said she knew nothing about Tjibaou's alleged drugging and its causes, and that she did not know whether there were any French intelligence agents in New York. □

Pons' Autonomy Bill

Minister's plan draws little response from FLNKS.

THE OCTOBER 8 announcement by Mr Bernard Pons, France's Minister of Overseas Departments and Territories, that he will press for a bill granting New Caledonia a "large degree of autonomy" is yet to draw a formal response from the Kanak Socialist National Liberation Front (FLNKS).

Speaking in Noumea at the close of a five-day visit to France's most volatile possession, Mr Pons outlined a new status for the territory, in which decentralisation at territorial, regional and communal levels would answer the demands of those "from all political tendencies" with whom

he had conferred during his visit. His plan would also allow Kanak separatists representation on the territory's elected executive council, while ensuring they did not disrupt its administrative functions.

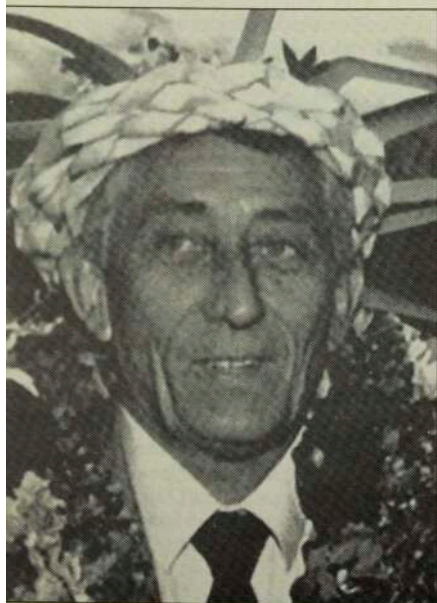
The "territorial executive" proposed by Mr Pons would consist of 10 members, with a president chosen by regional councillors and five members elected by proportional representation. New Caledonia's four regional leaders would become members, and the powers of the present High Commissioner would be reduced.

A "more rational" division of the territory's regions would provide a more equitable economic balance and the 32 regional communes would be granted rights and powers equal to those enjoyed by urban communities.

Despite Mr Pons' assertion that the territory's new status would be "extremely open", and his call to FLNKS separatists to "integrate themselves in the institutions offered by the French republic", his plan has not yet addressed questions of just who will hold ultimate power in a system where the French-born majority of the population could have a more than equal share of authority. The bill, which has not yet been formulated in any detail, is due to be considered by the French Cabinet on November 4, and could be submitted for debate by the French Parliament by November 6.

FLNKS leader Jean-Marie Tjibaou will wait until the bill is made public before

Bernard Pons, France's Minister of Overseas Departments and Territories: the concessions offered in his proposed New Caledonia bill are "long on rhetoric, short on facts".



commenting on its content, but the feeling in Noumea is that the bill (like the recent referendum) had only reinforced New Caledonia's colonial status and represented a significant step backwards.

Founder and leader of the "loyalist" Rassemblement pour la Caledonie dans la Republique (RPCR), Jacques Lafleur, has reservations about the announcement: and he must be more concerned with the overweening problems of finding a successor to his leadership and reuniting the fractured conservative forces than with addressing Mr Pons' insubstantial offers.

That Kanak leaders are taking a cautious approach to the proposed bill is unsurprising, given the Minister's comments that independence was a non-issue. According to his logic, all the inhabitants of New Caledonia are French, since the territory is French: which means there can be no such thing as a Kanak, which means there is no basis for considering the independence of a non-existent nation of non-existent people. □

NAURU

Fighting for a Future

A Commission battles to save the almost mined-out republic. By JOHN DUNN.

AN INDEPENDENT Commission headed by a Sri Lankan judge, and assisted by an Australian engineer and a Nauru Government official, is just more than half-way through a year-long inquiry which may bring a fresh future to the Republic of Nauru.

The Commission has been established by the Government of Nauru to persuade — or force — Australia, New Zealand and Britain to accept some responsibility for their mining of the island which has reduced most of it to a moonscape.

Evidence is being taken from a diverse group of people — ranging from the President of Nauru to international experts and island residents — on all aspects of the industry, beginning with its evolution and tracing its development through to the final effects.

One of the key witnesses is President Hammer DeRoburt who has ruled his nation for most of the past 32 years, and who described how phosphate mining has dominated, and now threatens to devastate, the lives of his 5,000 people.

The rehabilitation of Nauru is, in the words of Melbourne law professor Barry Connell, counsel assisting the Commission, "one of the greatest conservation issues of this century".

The problem centres on the phosphate rock, which covers almost the entire 13.2 square kilometres surface of the island and was formed from bird droppings over millions of years.

The island was developed as a lucrative source of fertilisers for the needy farmlands of Australia and New Zealand.

Mining began in 1907 on this, by South Seas standards, comparatively unattractive atoll surrounded by a narrow coastal belt and a coral reef. In the first six years, until the start of World War I, the people of the island received the equivalent of one cent for every \$7.50 the British-owned Pacific Phosphate Company received.

That was under the German administration. After the war, with the Germans dispossessed, the Nauruans fared little better. Nauru was now a mandated territory under the League of Nations, with Britain, Australia and New Zealand sharing trustee control. The three governments established a new company, the British Phosphate Commissioners, and continued to pay the Nauruans an amount which was paltry indeed, but which, they ruled, was "sufficient for people who live on coconuts, fish and sunshine".

For almost the next half-century some \$A115 million worth of phosphate rock was



Phosphate mining has devastated the landscape, leaving ghostly pinnacles.

ripped out of the tiny island and, in return, the Nauruans received royalties of just 2.5 per cent.

In 1968 Nauru became independent, took over the mining itself and set up a rehabilitation fund for the now fast-approaching time, in the 1990s, when the island would be mined out. Today that fund stands at \$A190 million. No such fund existed before.

Phosphate mining is particularly devastating. Excavation on Nauru goes down to between 15 and 40 metres and, afterwards, all that remains are exposed coral pinnacles.

The three governments, and the Nauruans themselves, had long been aware of the need for some sort of future plan for the time when mining would cease. An Australian scientific study in 1954 had ruled out full-scale rehabilitation.

The question of rehabilitation was reopened in 1966 when an independent Australian committee of experts found that a limited form of rehabilitation was possible, but no further action was taken.

At the present rate of mining, the phosphate will be finished by about 1995, which has prompted the Nauru Government to act by setting up this Commission which has been empowered to examine two questions — responsibility for the rehabilitation of worked-out phosphate land before independence, and the cost, and feasibility, of such rehabilitation.

The chairman is Professor Christopher Weeramantry, a former judge of the Supreme Court of Sri Lanka and currently a law professor at Melbourne's Monash University. He is assisted by Mr Bob Challen, an engineer with considerable experience in environmental problems and rehabilitation technology, and Mr Gideon Degidoo, a prominent Nauruan who is Director of the Nauru Language Bureau.

The Commission began its hearings in February and will continue until January, sitting in Nauru, Melbourne and Wellington.

Professor Connell has told it that when mining is complete, about four-fifths of the land area of the island will have been destroyed. He said: "No country in history has had to contemplate 80 per cent destruction for the benefit of industry in two far-off lands." And, he added, "The future of the Nauru people depends upon their access to, and fruitful use of, the currently devastated lands."

The Commission, ultimately, will make recommendations to the Nauru Government, which must then decide whether to launch any compensation claim under international law. It informed the governments of Britain, Australia, New Zealand, East and West Germany and Japan — the World War II occupiers — of the hearings but to date none has agreed to appear. All have, so far, succeeded in ignoring the inquiry completely. □

PAPUA NEW GUINEA

Shakeup at Ok Tedi

Problems are over, says new chief. By JOHN DUNN.

PAPUA NEW GUINEA'S Ok Tedi, one of the world's biggest gold and copper mines, has, in the words of its new Managing Director, Mr Dick Carter: "Turned the corner". He adds: "Quite frankly, it has been something of a problem child for us over the years but now all that is past."

Carter has just taken over as Managing Director and Chief Executive Officer of Ok Tedi Mining Ltd, an appointment that coincided with Australia's biggest company, BHP, assuming the position of managing shareholder for two years from October 1, with provisions for extensions.

Previously, Carter, who is also Executive Director of BHP Gold Mines, had been Chairman of the Ok Tedi board.

The change in the management structure follows the departure of Mr Roy Shipes, who had been General Manager since 1985 and who sought an early release from his contract. Also gone, somewhat suddenly, is the Deputy General Manager, Mr Don Podobnik.

These moves resulted in an emergency Ok Tedi board meeting in Hawaii in August to discuss what some saw as a management crisis. The present arrangement, with Carter at the helm and a replacement for Shipes, emerged from that meeting. The new General Manager is Mr Glen Andrews, who formerly occupied a similar position with Utah Mines, the unit of BHP-Utah Minerals International which operates the Group's copper mine at Vancouver Island, Canada.

Certainly the Ok Tedi operation looks more settled now, which is something that its partners — BHP, Amoco, a German group and the Papua New Guinea Government — will appreciate in view of its occasionally stormy past.

The mine's worst problems were encountered at the construction stage with environmental embarrassments such as the loss of canisters of cyanide from a barge just north of the Great Barrier Reef and the washing of excess cyanide down the Fly River system.

The hostile environment was also a difficulty. Carter recalls that the engineering tasks and the logistics were much more difficult than had been expected. "We had to take a bigger spending approach than the project could really stand and we over-ran our budget substantially," he says. "We didn't get all the facilities we had anticipated such as the hydro power scheme and the tailings dam."

Carter admits that was "damaging to the morale of the shareholders while the

Government's expectations were not realised either."

Consequently, in 1984 there was a period of quite strained relations between the partners and the PNG Government which resulted in the mine closing for six weeks during February and March of 1985.

Several aspects, such as the nature, size and sequence of the facilities were re-negotiated during this period. "The result," says Carter, "was that we got all the dirty water off our respective chests. Good relations were restored and now are better than ever."

Another result was that expenditure was able to be contained and the mine's start-up figure of \$US1.4 billion was, in Carter's words, "not too far over our original cost estimate".

shipped through a 180 kilometre slurry pipeline from the mine to the river port of Kiunga where they are treated before being loaded on barges for transport down the Fly River to ocean-going carriers for the journey to international markets.

These markets are primarily in West Germany, South Korea and Japan which, together, will take almost 85 per cent of the copper production.

Ultimately, all the effort will be well worthwhile. Last year Ok Tedi earned about \$A30m net profit and another \$50m from exchange gains. This year net profit will exceed \$100m and is likely to run at least at that figure, and probably more, annually.

Outlining the program ahead, Carter notes that the mining of the



Ok Tedi in production. Inset: New MD Dick Carter.

Throughout this preparation period there was, and remains, the difficulty of operating in one of the world's most hostile environments. Ok Tedi lies in an extraordinarily remote and primitive region. As recently as two decades ago tribal communities in the area did not know of the existence of others less than 20 kilometres away.

The mine itself sits 2,000 metres high on Mt Fubilan in the Star Mountains just by the border with the Indonesian province of Irian Jaya. The terrain is tough and rough and the climate especially intimidating — there are 10 metres of rain a year, falling on 339 of the 365 days.

Distance is a problem of its own. Copper concentrates are handled in bulk, being

gold "cap" will cut out about the middle of next year.

"Around 1990, which should be the first year when everything is really hitting its straps — two copper lines, two mills working flat out on copper — we'll be producing around 200,000 tonnes of contained copper.

"We will remain a gold producer, too, because of the gold credit in the copper concentrate. Even in the late 1990s we'll be producing 350,000 ounces of gold," says Mr Carter.

With its troubles seemingly behind it, Ok Tedi is destined to become one of the great mines of the world through the next 18 years until it is finally mined out about the year 2005. □



BANK ECONOMIC INDICATORS

COMMODITY PRICES

	Oct. 8, 1987	Month Ago	Year Ago
Gold (USD/oz) (Comex, Spot)	458.10	463.40	441.10
Silver (USD/oz) (Spot)	7.66	7.69	5.70
Copper (US cents/lb) (wirebars seller)	91.00	76.75	64.00
Cocoa (USD/tonne)	1838.00	1947.00	2000.00
Coffee (US cents/lb) (Spot)	123.89	116.15	205.36
Copra (USD/tonne)	317.50	315.00	185.00
Rubber (US cents/lb) (Spot)	47.25	49.13	46.85
Sugar (US cents/lb) (Spot)	6.95	5.46	5.62
Palm oil (USD/tonne)	360.00	322.50	272.00
Skipjack (USD/tonne) (A/Samoa)	990.00	1100.00	750.00
Dakua (USD/cub. mtr) (kiln dried, rough sawn, fob)	364.00	360.00	331.00

EXCHANGE RATES

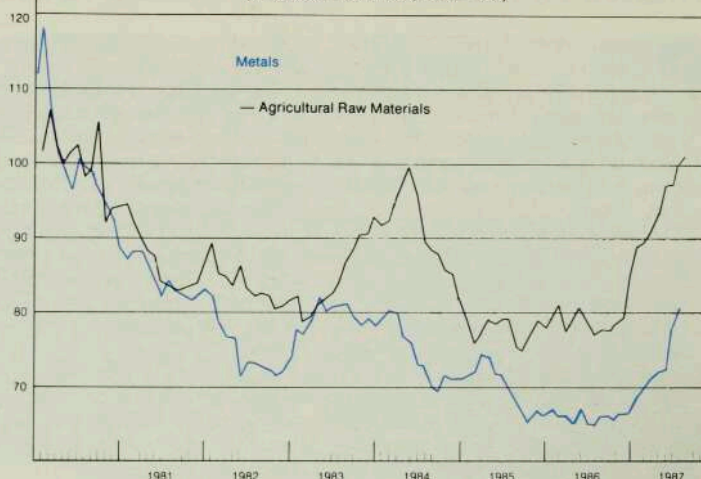
USDI buys:		Sept. 3, 1987	Month Ago	Year Ago
Australia	dollar	1.38	1.38	1.59
New Zealand	dollar	1.50	1.61	1.98
Fiji	dollar	1.52	1.30	1.18
New Caledonia and Tahiti	franc	110.51	109.46	120.02
Papua New Guinea	kina	0.89	0.89	0.98
Solomon Islands	dollar	2.01	1.99	1.83
Tonga	pa'anga	1.38	1.38	1.59
Vanuatu	vatu	111.41	110.29	101.27
Western Samoa	tala	2.06	2.09	2.29

INTEREST RATES

	Short Term			Long Term		
	Oct. 8 1987	Month Ago	Year Ago	Oct. 8 1987	Month Ago	Year Ago
Australia	11.35	12.10	17.85	12.48	12.94	13.85
New Zealand	19.65	19.60	16.50	15.65	15.75	15.35
USA	8.44	7.31	5.96	9.74	9.27	7.95
Japan	3.90	4.00	4.75	5.87	5.38	4.65

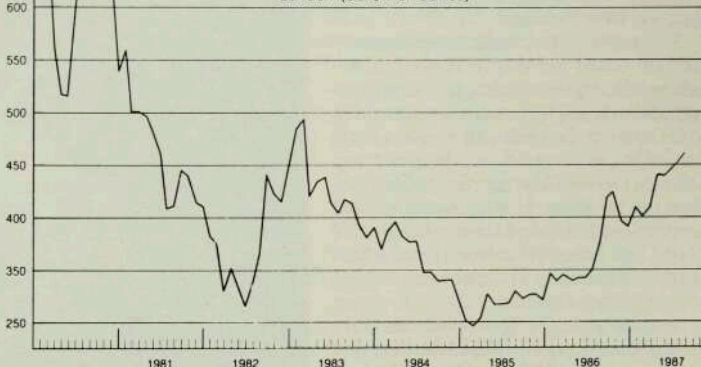
WORLD COMMODITIES

(Wholesale Price Index, 1980 = 100)



GOLD

London (US \$ Per Ounce)



INDUSTRIAL WORLD DEMAND

Industrial Output (per cent change)				
		In Latest month	In Previous month	From Year Ago
Belgium	(May)	+2.9	+4.3	+7.8
Canada	(Jun)	+1.4	+0.4	+5.6
France	(Jun)	+1.9	+1.0	+2.9
Italy	(Jul)	-0.4	+4.7	+2.4
Japan	(Aug)	+0.6	+1.0	+5.5
Netherlands	(Jul)	+1.9	-1.9	0.0
Switzerland	(Q1)	-12.0	+9.0	+3.0
UK	(Jul)	+2.2	-1.3	+3.7
USA	(Aug)	+0.3	+0.8	+4.5
West Germany	(Aug)	+4.6	-1.0	+2.3
TOTAL OECD	(June)	+1.0	+0.9	+3.7

Sources: AAP Reuters; FFA Honiara, Fiji Forest Industries IMF (IFS). Compiled by ANZ International Economics, Melbourne.



BANK

Branches in
Fiji, Papua New Guinea,
Vanuatu and Solomon Is.

THE REGION

Hard Lessons for Lawmakers

Think tanks report that the US has a lot to learn about Pacific affairs.

UNITED STATES policy makers for the South Pacific have two recent analyses to draw upon as they match their concerns against the often conflicting interests of the regional nations.

A group of West Coast and Pacific "think tanks" has, following a visit to the South Pacific, produced a report which gives strong support to many regional aims, while the Congressional Research Service has provided Capitol Hill lawmakers in Washington with an updated backgrounder to guide them in decision

clearly from current French policies, not only as regards nuclear testing, but also in relation to New Caledonia.

"The United States needs to align itself with the aspirations of the people in the region for a recognition of their right to dignity and that degree of development that accords with their culture."

As has already been widely noted throughout the region, the think tank analysts acknowledge that politically the US has paid a price that appeared to the South Pacific to be unnecessary for its refusal to endorse the protocols of the Treaty of Rarotonga when the treaty itself adequately safe-guarded the US position.

However, while they bluntly state the US "should reconsider its position on this matter", it is extremely unlikely there will be any shift in the American position in this last year of a Reagan Administration which has made clear it regards anti-nuclear zones and sentiment as contrary to its world-wide defence interests and arms-control bargaining strategy.

The US attitude to the treaty was influenced by a desire not to upset the French whom they regard as an important part of the global nuclear club. France would have been angered by American backing for a treaty directed at its nuclear testing program on Mururoa.

The think tanks believe the US cannot greatly influence French policy, either with New Caledonia or nuclear testing.

Their report also makes the surprising suggestion that the US should "publicly offer" the French use of its Nevada nuclear test site.

Libyan activities in the Pacific are said to be reason for concern "since Libyan involvement can only be for disruptive purposes" although it is acknowledged that with few exceptions most states in the South Pacific now recognise this.

As well, certain forms of Soviet involvement are regarded as undesirable, "particularly when it is co-ordinated with naive or ideological fellow travellers in Australia and New Zealand".

Wisely they note that it would be counter-productive to concentrate on alarmist scaremongering about the scope of the threat, a better course of action being

the development of policies that stood on their own merits and were not perceived as responses to the Soviet intrusion.

"Underlying US policy should be this basic principle: The South Pacific should be neither ignored nor overwhelmed, but in an era when each region of the Pacific-Asian area is becoming increasingly inter-related, the US stake in the South Pacific is increasingly important."

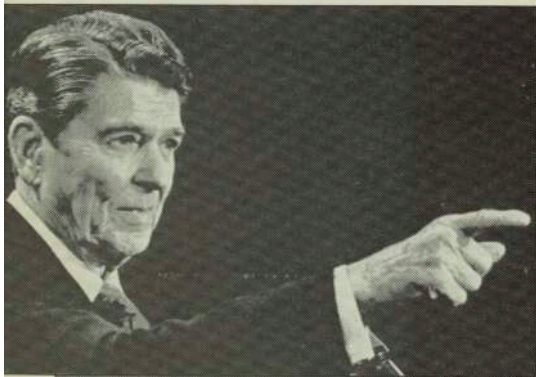
Looking ahead at the prospects for political stability in the region, the analysts say that apart from Fiji and New Caledonia, both of which reflected serious racial-cultural cleavages, Papua New Guinea may have difficulties in the future with its population predicted to double in the next 25 years. "While the Papua New Guinea resource base is comparatively rich, rapid urbanisation will create a host of problems, as can already be seen."

The country's ambitious transport and communication program could bring disparate language-culture groups into intimate contact, while at the same time a younger generation was growing up different in kind and degree from its parents. "These trends are by no means unique to Papua New Guinea. Well-informed individuals indicate that in varying degree, they even apply to some of the Polynesian states considered more tranquil, like Western Samoa."

The Congressional Research Service paper, prepared by Robert Sutter of its foreign affairs and national defence division, is naturally less opinionated but notes that United States interest in secure access through Oceania has become seriously complicated by recent developments that posed difficult choices for Congress.

It said members of Congress had to realise they faced trade-offs between measures that would improve United States relations with countries in the region and measures that would further other interests at the expense of the United States. For example, America's subsidised sale of wheat and other farm products designed to help the domestic farm economy had angered its important political and economic ally Australia.

Likewise, Australia had worked hard but unsuccessfully to get the United States to accede to the South Pacific Nuclear Free Zone, endorsement of which would upset France, and similarly Australia also wanted American endorsement of a proposal in the United Nations which was critical of the French administration in New Caledonia. But again France would strongly object to any such move. □



Reagan: "Non-nuclear zones not in American interest"

making on an area too many know too little about.

The political and racial differences of Fiji and New Caledonia, nuclear issues, the still-to-be-ratified South Pacific regional fishing treaty, foreign aid, the Libyan presence and an expanded Japanese financial role in the area are all addressed in a way which shows how complicated dealing with the South Pacific has become for the United States.

In their joint report, which may provide the impetus for a conference on the South Pacific next year, the Institute of East Asian Studies of the University of California at Berkeley, the private Pacific Forum group in Honolulu and the Asia Foundation Centre in San Francisco, say that while recent United States decisions have disappointed the area, the current atmosphere "is not one of hostility but of sincere hope that America will display greater attention to the region".

More specifically, the private groups say that the United States should consider its opposition to the South Pacific Nuclear Free Zone Treaty and separate itself more

NEW ZEALAND

Maori Claims Pile Up

An avalanche of land claims clog the economy.

MAORI LAND claims now threaten to slow down — or even stop — important functions of the New Zealand economic engine. Aside from blocking the transfer of \$NZ15 billion worth of taxpayer-owned assets to the new Government corporations until Maoris are guaranteed that future claims won't be prejudiced, the growing logjam of grievances over alleged injustices in Maori ownership of land or water is starting to hurt.

Public works programs are held up or frozen. Important commercial decisions about offshore fishing rights have been delayed. (One claim affects 80 per cent of NZ's commercial fishing area.)

Local authorities in many parts of the country are unable to effect basic house-cleaning regulations because of uncertainty over land ownership. Manganui County Council in Northland, for example, cannot tidy up rights of access on a commercially critical route — the only road to the major tourist attraction of Cape Reinga on the tip of the North Island — because of a claim. It is one of hundreds of parallel examples in the country.

Commercial fishermen await the outcome of disputes over fishing rights following the lodging of exclusive harvesting claims for large areas of coastline. Major tourism projects such as the construction of resorts are on hold until land ownership is sorted out.

And the High Country farming leases are subject to uncertainty until the massive claim by the Ngaitahu tribe for about 10 per cent of the South Island runs its lengthy course through the Waitangi Tribunal, the arbiter on these complex disputes. Though the claims aim at Crown land and do not target individual farmers, they of course directly concern their livelihood. Until they know what form of redress — or remedy, in legal terms, the claims will seek, farmers must have a compelling disincentive to develop their land or otherwise undertake necessary efficiencies.

The issue of remedies poses one of the largest uncertainties. So far, most claims have sought financial compensation or the return of land. It is a fraught question. The biggest claims over land and/or sea often put a financial value on the extent of the grievance by way of underlining the legal point, and they are large numbers. If the Government, which is committed to righting alleged wrongs under the Treaty of Waitangi, paid out on the claims, the country would be bankrupt. Just one of the

Ngaitahu claim's disputed blocks has a grievance value of about \$NZ300m. "You would soon reach a figure that would be quite comparable to the national debt," explains Dr Maarire Goodall, senior research officer of the Waitangi Tribunal and a member of the Ngaitahu people.

Fortunately most claims are looking for something less and the tribunal is inclined to restore justice by providing the means to recover a lost way of life rather than by offering cash. In some cases, for example, in whole blocks of land held by the Ministry of Works, the Waitangi Tribunal has seen fit to hand back the acreage.

Dollars and cents have been more difficult to assess, and so far there have been no precedent-setting awards. It may be that future claims will seek royalties, a slice of the action, like Australian aborigine tribes sitting on mining lodes.

While these overhanging issues remain, the Maori land claims clog up mundane but important areas within the economy. And with the claims piling in on top of the existing case load of over 120 un-

settled disputes, there isn't much prospect for speedy redress. The rate of settlement is a lot slower than the pace at which the problems are pouring in. That's the main reason why the Government is considering a lump of financial aid to assist the tribunal in reducing its paper mountain. Otherwise the present backlog is likely to take a decade to sort out.

The decisions of the Waitangi Tribunal have already shown that many claimants deserved redress — the land should never have been appropriated. The Government, in the form of the Ministry of Works, has been a major offender in acquiring a lot of land it didn't need or else allowed to lie fallow against some vaguely defined future purpose. The verdicts have also finally provided some validity to the 1840 Waitangi agreement between the Maori chiefs and the British Crown that was supposed to protect tribal land. It's this treaty which the Waitangi Tribunal is designed to implement.

One reason for the tribunal's stately progress is that its seven members, a majority of whom are Maoris, are trying to read the minds of the long-dead people who framed the treaty. That interpretative process is taking time. Until the tribunal comes fully to grips with its case load, the economic engine is misfiring. □

Rainbow Warrior Payout

France pays compensation to Greenpeace

AN INTERNATIONAL tribunal has ordered France to pay more than \$A8m in compensation to the environmental action group, Greenpeace, for the sinking of its vessel, *Rainbow Warrior*, in Auckland harbour in 1985.

The tribunal, comprising three legal experts from Switzerland, France and New Zealand, made its decision after meeting in Geneva.

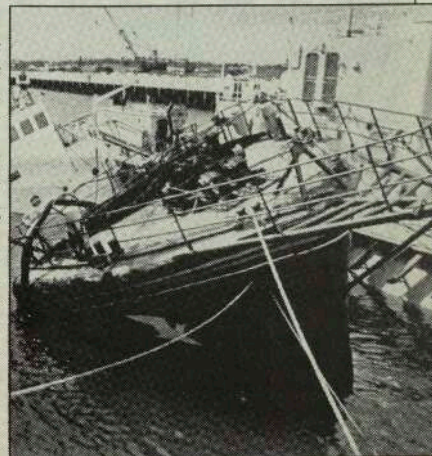
France, which has admitted that agents of its intelligence service blew up *Rainbow Warrior*, has agreed to abide by the tribunal's decision, as an alternative to facing legal action by Greenpeace in New Zealand.

A Greenpeace spokesman in Rome said no amount of money could ever compensate for the loss of the life of the *Rainbow Warrior* crewman killed when the ship was blown up.

He said the compensation would also not buy back the dignity of a Government which sank a non-violent ship to stop it exercising the democratic right of protest.

The spokesman added that Greenpeace would use the compensation to fund its campaign for a nuclear-free Pacific.

Rainbow Warrior had been preparing



The sabotaged ship in Auckland Harbour.

to lead a flotilla of protest vessels to the French nuclear testing site at Mururoa Atoll when it was blown up.

France has already made separate settlements with the Government of New Zealand, and with the family of Mr Fernando Periera, the crew member killed. □



President Reagan and NZ PM Lange: protagonists in anti-nuclear impasse.

Military Morale Plummet

The ANZUS split takes its toll.

SINCE THE acrimonious ANZUS Alliance split between New Zealand and the US, caused by the former's anti-nuclear policy barring US navy ships from its ports, the group hardest hit has been New Zealand's armed forces.

Deprived of assured exercises and training with the US which provided access to the latest technology and military methods, morale plummeted and many of the experienced officers and men left the forces.

While the military is, on the surface, apolitical, its feelings about the Alliance split were made clear recently when former senior army, navy and air force officers spoke out against Government policy and in favour of retaining the US military links. Their outspokenness had them branded "geriatric generals" by the acerbic New Zealand Prime Minister David Lange.

However that rearguard action by the senior officers may have done some good, as there is now in some quarters in Washington an apparent realisation that a totally incapacitated New Zealand military may not be in the best long-term strategic interests of the US.

Some indication of that came out during a hearing in Stephen Solarz's House Foreign Affairs East Asia and Pacific subcommittee last month on the Administration-backed bill of senior Republican Congressman William Broomfield, which in effect will officially strip New Zealand of its US ally status and make it just a "friend", a situation which has in practice existed for the past three years.

During the hearing Republican Jim Leach questioned whether the legislation was the right way to go as its intent, to eliminate New Zealand from the list of US

allies that get preferential military assistance, would impact hardest on the New Zealand armed forces.

It would make it more difficult for them to train in the US, he said. "Is there not a way to punish the politicians but not the defence establishment?" asked Mr Leach, noting that the object of the bill was exactly what the Left in New Zealand wanted, that is, the breaking of defence ties between the United States and New Zealand.

"What we have here is 'tit-for-tat'," Mr Leach said, picking up on the fact that the bill is the official United States response to New Zealand's anti-nuclear law passed in June. "But why proceed with rubbing their nose in it when we are rubbing the wrong noses?"

Democrat Chester Atkins also raised the point, suggesting there was a need to soften attitudes toward the New Zealand military which was after all, most allied to the US position.

But Mr Broomfield pointed out that the "bottom line" of training had to be that it was for alliance purposes and for now the alliance relationship between the United States and New Zealand was "inoperative".

For all that it was a sign of a new sensitivity on the part of some Americans at least as to the long-term effects of their hard-line attitude to New Zealand for breaking away, as the US sees it, from the ranks of the Western alliance.

The official line was most strongly put by Deputy Assistant Defence Secretary Karl Jackson who said the US had to ensure "New Zealand officials understand that we will neither forget nor ignore the damage done by New Zealand to Western security interests and the network of alliances crucial to preserving freedom." □

THE REGION

Fish Treaty

Tuna accord moves ahead

THE SOUTH Pacific fisheries treaty governing migratory tuna catches, which will boost the incomes of participating states has moved a step nearer fruition.

At a US Senate foreign relations committee hearing this month the treaty received a favourable reception which augured well for it getting the full stamp of approval when empowering legislation eventually moves through the American Congress, possibly before the end of November.

The treaty was the result of two years of complex and difficult negotiations between the United States and 16 Pacific states and will eventually result in the United States, through fishing licences and aid funds, providing \$US60 million over five years to be spread among the countries which ratify the treaty.

It was fought out against a background of worsened American relations with the South Pacific, caused in part by the poaching habits of Southern California fishermen in the southwest Pacific, and at a time when the Soviet Union saw an opportunity to extend its influence through fishing agreements with Kiribati and Vanuatu.

The fishing treaty was signed in April in Papua New Guinea but has to have approval of the United States Congress before it can become law.

Edward Derwinski, who oversaw the American side of the negotiations, told the Senate committee it was an important step in United States relations with the South Pacific, "and should eliminate, for its duration, the serious foreign policy irritants caused by differing jurisdictional claims over tuna".

Under the terms of the treaty US-flag vessels will pay \$US50,000 a year each in licence fees to fish tuna in some 10 million square miles of the South Pacific, most of which is within the 200 mile exclusive economic zones of the island states.

The US tuna industry has guaranteed \$US1.75m in licence fees the first year and is also required to provide technical assistance of \$US250,000 annually.

As well, the United States provides an aid package of \$US10m for five years to the South Pacific Forum Fisheries Agency (FFA) which in turn disburses it to the participating states. The assistance will be in the form of a cash transfer of which \$US1m will be used for development projects.

Legislation to bring the treaty into law has still to be introduced into both the House of Representatives and the Senate but promoters are hopeful it will not encounter any last minute opposition and will be passed into law later in the year. □

AMERICAN SAMOA

Sunia Set to Sink

Prosecution now seems certain. By DAVID S NORTH.

FOFŌ SUNIA, American Samoa's delegate to the US Congress, offered to resign his office if the US Attorney's Office in Washington dropped payroll fraud charges against him, according to the authoritative Washington publication *Roll Call*.

The offer was refused, and Sunia and his principal aide, Matthew Iuli, face possible, perhaps probable, criminal prosecution.

Sunia, like other members of the US Congress, has control of a payroll of about \$US400,000 a year. He has been accused of placing four prominent Samoans, including a relative of his, and two uncles of Iuli, on the payroll in "ghost" jobs involving no work. *Roll Call* reported that one of the employees did not know that he was on the payroll, and never saw or received any cheques from the Government. (See article in *Pacific Islands Monthly* October, page 20.)

The US Attorney in the District of Columbia, an appointee of the Reagan Administration, has opted to press the case in Washington, DC, where the cheques were issued, rather than in American Samoa, where the people on the payroll live. This decision has proved to be an expensive one, because it is said that as many as 20 witnesses from American Samoa have been flown to Washington at more than \$US2,000 each in round-trip airfare at Government expense.

The legal situation, at time of writing, is: the staff of the US Attorney, Joseph diGenova, after an extensive investigation in both Washington and Pago Pago, reportedly offered to indict the Congressman and Iuli for only one felony, carrying a maximum prison sentence of 10 years, if they pleaded guilty to the single charge. Alternatively, the US Attorney's Office would proceed to seek indictments on a series of felony charges.

Sunia made a counter-offer to resign, according to *Roll Call*, but this was refused. Iuli reportedly accepted the offer. (Typically, in such instances in US courts the person or persons accepting the plea bargain, as Iuli has been said to do, then testifies for the prosecution in the case. Whether Iuli will do this is not known; at last report he remained on the Congressman's payroll.)

Since Sunia and the US Attorney's office have not worked out a plea bargain, that office will proceed with its investigations, and it is expected, perhaps in December, to seek a criminal indictment from a grand jury. A trial would follow. The whole process, unless short-circuited by a

plea bargain, could continue well into 1988. Sunia, and all other Congressmen, face elections in November, 1988.

Sunia's office has been largely silent on these stories, but it did issue the following statement: "Mr Sunia has not pleaded guilty to anything, and he has not heard anything like that at all. He has not seen or spoken to any investigators from the Secret Service or any Assistant Attorneys General from the (United States) Department of Justice."

While the major Washington dailies have paid little attention to Sunia's troubles, other than a single story in *The Washington Post*, there has been some speculation about who might seek his position if he vacates it before November, 1988. Should such a vacancy occur enough

in advance of the regular election to warrant it, the Governor of Samoa, A P Lutali, could call a special election.

Among the names bandied about in this connection are Eli Hunkin, a Democrat and one-time protégé of the late, powerful Chairman of the House Insular Affairs Committee, Philip Burton. Hunkin is now Lt Governor of American Samoa. Also mentioned is Robert Urle, another Samoan who has held a staff position in the US Congress. Still another name is that of the former Republican Governor of American Samoa, Peter Coleman.

But there will be no by-election until there is a vacancy, and Sunia is showing no outward signs of leaving his position. He was a witness before a US Senate hearing recently, in which he pressed for rapid Senate approval of the long-pending tuna treaty. He appeared recently at another Congressional hearing. At both, according to observers, he seemed confident and cheerful. □

Guamanians go to Polls

DAVID S NORTH on the double-headed ballot.

GUAM'S VOTERS go to the polls on November 7 to fill a vacancy in the Territorial Senate and to continue the process of building a new relationship with the US mainland.

The two elections are unrelated, but they are being held the same day in an effort to save money.

The Senate vacancy occurred when Senator Pedro Sanchez, a Democrat, died in August. A four-way contest has developed for the seat, and interestingly, none of the three strongest candidates are of Chamorro ancestry (as Sanchez had been).

Two of the four candidates are Democrats: Sanchez' widow, a Samoan, and Madeline Bordallo (a Haole), wife of former Governor Ricardo Bordallo, who was defeated for re-election last year. Governor Bordallo's case is on appeal. The vote for his wife may indicate how the island feels about the conviction.

The other two candidates are Republicans: the Party organisation's choice is Leslie Moreno, a Filipino, while the independent Republican is Harry Concepcion, the only candidate with Chamorro blood. The Democratic majority in the Senate is not at stake, as the party will continue to control the body no matter who wins in November.

The other part of the election relates to Guam's desire to work out a new relationship with the United States. To this end, the Guam Commission on Self Determination presented the voters with a draft

Guam Commonwealth Act. The idea is that such a draft would represent Guam's bargaining posture as it began to negotiate with the US Government in Washington. To test the population's feelings, voters had a chance in August to vote separately on 12 different articles: 10 were accepted, with votes ranging from 51 to 61 per cent. November's vote will be a re-run for the two articles turned down by slim margins in the August voting.

Both articles have strong ethnic overtones. Article I calls for a Guam which is a self-governing entity under United States sovereignty and which recognises Chamorros as a distinct group and also recognises their right to determine their own political future.

This article has been interpreted to mean that only Chamorro voters would have the ultimate right to decide whether Guam seeks independence in the future.

Article VII calls for granting the island Government control of the movement of aliens to Guam (now the responsibility of the Mainland's Immigration Service) and would not permit aliens living on Guam to use their time on the island to qualify for citizenship. (US law now permits aliens living on Guam for five or more years to apply for citizenship.) These proposed provisions were unpopular in the Filipino community, which feared that an island-controlled immigration system would be more likely to deny visas to Filipinos than a Mainland system. □

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Pacific Report

□ PACIFIC AID

REPRESENTATIVES OF the South Pacific countries have criticised the aid and trade policies of the industrialised world. Solomon Islands Finance Minister Mr George Kejoa told the joint meeting of the World Bank and the International Monetary Fund in Washington last month that the US and other aid donors had promised to transfer real aid to the Third World.

Mr Kejoa, speaking on behalf of Solomon Islands, Kiribati, Vanuatu and Western Samoa, said that in recent years, thousands of millions of dollars had been used instead to pay off interest on Third World debt.

Papua New Guinea Finance Minister Mr Galeva Kwarara complained at the meeting that wealthy countries had not kept promises they made on trade during negotiations in Tokyo in the late 1970s. He also expressed concern about the outflow of funds from poor countries.

Mr Kwarara said Papua New Guinea was alarmed by forecasts suggesting that major institutions such as the World Bank and the IMF would soon be taking more resources from the Third World than they sent to it.

□ VANUATU FETES WINGTI

PNG PM Mr Wingti was made a chief of Vanuatu's main island of Efate at a welcoming ceremony in Port Vila. The custom chiefs of the island laid their hands on his head and gave him the honoured name Maukoro, meaning head warrior and defender. During the ceremony, Mr Wingti clubbed a pig to death in a symbolic cementing of peaceful relations between Papua New Guinea and Vanuatu. Vanuatu's Prime Minister, Father Lini, spoke of the importance of traditional culture to the Melanesian island countries. Mr Wingti said the people of Melanesia were one people. Mr Wingti and Father Lini later began talks during which they were to discuss developments in Fiji. Mr Wingti was visiting Solomon Islands and Vanuatu on his way to the CHOGM meeting in Canada.

□ EARTHQUAKE RECORDED

A MAJOR earthquake occurred 400 kilometres south of Western Samoa. The quake measured seven points on the Richter scale, but because of its location it did not generate a Pacific-wide tsunami, or tidal wave. There were no inhabited islands near the epicentre of the earthquake. A police spokesman in Apia said there had been no reports of damage or injuries.

□ HONIARA BUST-OUT

ABOUT 130 prisoners escaped from the Rove prison, Honiara, after a riot. They looted shops in Honiara, stealing food, liquor and clothing. Many of them were recaptured. Solomon Island prison officials let the remaining prisoners out of jail so the guards could take part in the search for those who had escaped. Those released were told to return to prison when the escapees had been rounded up.

□ SOUTH PACIFIC VILLAGE AT EXPO 88

SEVEN SOUTH Pacific nations will steal the show when World Expo 88 opens in Brisbane in April next year. Papua New Guinea, Fiji, Tonga, The Cook Islands,

groups; war canoes; hand carving demonstrations; and a Fijian meeting house.

□ PNG PREMIERS' MINE ROYALTY CALL

PAPUA NEW Guinea premiers called on the national Government to pay all mining royalty monies owed to them. The amount was not disclosed, but the premiers believe a lot of money is owing.

At their conference in Lae, the premiers also resolved that the Fisheries Act and regulations be amended to allow more consultation between the national and provincial governments on fishing licences, and the exploitation of marine resources in the provinces. In a separate submission, the five Papuan provinces



Solomon Islands, Western Samoa and Vanuatu will exhibit with an emphasis on the modern and traditional aspects of tourism, dancing, handicrafts, fishing and carvings.

A lagoon, surrounded by grass huts, caves, waterfalls, bridges and artifacts will be the site of the displays (see artist's impression above).

Says Expo South Pacific Co-ordination Committee member, Keithie Saunders, "Tourism will fit in with Expo's theme of 'Leisure in the Age of Technology' and handicraft is also a leisure activity. There will be dancing and exhibitions daily and people will be able to watch such activities as traditional war canoes being carved."

Features of the South Pacific Lagoon will include a Samoan oval fale (island house); pan pipes; traditional dancing

also demanded prawn export royalties be paid to them.

□ PNG TIMBER STRIFE

A JUDICIAL inquiry in Port Moresby was told that most timber operations in Papua New Guinea's New Ireland Province were illegal. The assistant Secretary of the Forest Department, Mr Mentu, said also that most joint ventures between local landowners and foreign companies had failed because foreign companies harvested timber, but did not carry out re-forestation and other projects agreed to in contracts.

Mr Mentu was giving evidence before an inquiry investigating claims of widespread corruption in Papua New Guinea's timber industry. It is now investigating timber operations on a province by province basis. □

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Pacific Report

□ AUSTRALIA-FRANCE SHAKE HANDS

THE AUSTRALIAN Foreign Minister Mr Hayden had talks with French Foreign Minister Mr Raimond in New York. The meeting ended a nine-month ban by the French Government on ministerial contacts with Australia because of Australia's support for the relisting of New Caledonia with the United Nations Decolonisation Committee. Mr Hayden said his talks with Mr Raimond touched on New Caledonia and French nuclear testing in the Pacific, adding that the discussion was direct, but not aggressive. Mr Hayden added that



Hayden: agreeing to disagree.

Australia and France generally had very good relations, but had to learn to live with their differences over the question of New Caledonia.

Meanwhile, an Australian human rights delegation was refused entry into New Caledonia. The three-man delegation, which included former South Australian Premier Mr Don Dunstan was planning to visit New Caledonia as part of a study into the Melanesian way of life. The executive director of the Herbert Vere Evatt Foundation, Mr John Scott Murphy, said the non-political aim of the delegation had been stressed to the French and the move could have been an attempt to prevent exposure of the local Kanak living standard.

□ PNG'S WAGGA LEAGUE TEST

AUSTRALIA WILL play a rugby league Test match against Papua New Guinea at Wagga in the New South Wales Riverina District next year. The one-off Test on July 20 will count for World Cup points. It will

be the first time Australia has played a home Test against PNG and only the third time the two countries have met. The Kumuls, as Papua New Guinea is known, are now touring Great Britain and France.

□ NZ POST IN KIRIBATI

NEW ZEALAND will set up a small diplomatic post in Kiribati by the beginning of 1989. The move is part of a program to upgrade New Zealand's presence in Micronesia. At present Kiribati has two diplomatic missions — from Australia and Britain.

□ PNG UPGRADES EDUCATION

PNG IS TO make big changes in its national education system to raise standards and meet the needs of the country. Education Minister Mr Aruru Matiabe said the changes were needed because of a drop in standards in the past 10 years. He said the changes would occur over the next five years and the Education Secretary, the Commission of Higher Education and the Vice Chancellors of the nation's two universities had already started the process. Under the new system all areas of education would be studied to make sure there was no waste of money and no duplication of courses.

□ PNG POLICE SCANDAL

PNG WAS HIT by a police corruption scandal. An internal police inquiry into the handling of investigations into one of PNG's biggest robberies earlier this year resulted in one policeman appearing in court and others being questioned. The constable appeared in court in Lae on charges of masterminding the theft of more than K165,000 in transit between the Westpac branch of Lae and the bank's head office in Port Moresby.

Allegations have also been made that policemen have accepted substantial amounts of money in bribes to ensure suspects were not convicted.

□ IRIAN JAYA AID

AUSTRALIA IS providing more than \$500,000 this financial year to help the United Nations High Commissioner for Refugees relocate Irianese border crossers into a more permanent camp further inside Papua New Guinea. In 1984 more than 10,000 Irianese fled into Papua New Guinea from the Indonesian Province of Irian Jaya and more than 9,000 remain in temporary camps close to the border. A relocation program to a camp at East Awin

in Papua New Guinea's sparsely populated western province began in September. About 400 refugees are expected to make the move to East Awin each month until at least the end of 1987.

Meanwhile, a series of shuttle charter flights began the repatriation to Indonesia of up to 600 Irianese border crossers, who had been living in makeshift refugee camps in Papua New Guinea since 1984.

□ DEATH SECT CHARGES

POLICE in French Polynesia arrested six more people in connection with the burning alive of six people on the tiny atoll of Faaite. They bring to 16 the number of arrests in connection with the September 3 incident. Ten of those arrested are members of an organisation called the Charismatic Renewal Cult, an American religious sect which combines elements from Catholic and Protestant beliefs. A priest from Papeete was quoted as saying the slayings were part of a mission of exorcism incited by three women claiming to be members of the sect. However, the three women were released after questioning by investigators.

□ FRANCE'S NUCLEAR OFFER

FRANCE INVITED the leaders of South American countries bordering the Pacific to see for themselves its nuclear test site at Mururoa as a counter to protests about French nuclear testing. French Foreign Minister Mr Jean Bernard Raimond announced the move in an address to the United Nations General Assembly. During the address, Mr Raimond restated the refusal of the French PM, Mr Chirac, to halt the country's nuclear testing.

□ SOUTH PACIFIC CONFERENCE

The 27th conference of the South Pacific Commission has ended in Noumea with dominant members promising more money and to boost efforts to find financing for aid programs.

Three of the commission's 27 members, Papua New Guinea, Marshall Islands and Vanuatu, stayed away from the conference: PNG has described the Noumea-based commission (founded in 1947 to develop aid programs for countries in the South Pacific) as colonial, and said it wanted the commission scrapped.

Australia and other dominant members France, Britain, the United States and New Zealand have agreed to increase their contributions to the commission and to try to get other contributions from non-member countries such as Japan. □

SPECIAL REPORT

Economies of the Pacific

In the first of our monthly Special Reports, MELISSA ROBERTS spotlights the economies of the island nations. She examines the factors that will make some countries economic super powers and tells why others are doomed to aid dependency for ever.

WHEN Colonel Sitiveni Rabuka's men stormed Fiji's Parliament the nation lost more than its much-valued democracy. With record foreign reserves, falling inflation, a buoyant agricultural sector and a booming tourist industry Fiji was undeniably the economic powerhouse of the South Pacific.

On the morning of May 14, the Governor of the Reserve Bank, Savenaca Siwatibau, put his head in his hands and wept. But, in the weeks that followed Colonel Rabuka's stunning military action, the economy miraculously started to recover. The sugar was harvested and tourists, taking advantage of super-cheap package deals, flooded back to the islands. There was even a trickle of foreign investment into the tourist sector.

"I'm rather optimistic, now, that our political leaders are beginning to talk," Siwatibau said, in early September.

Unfortunately, the politicians' discussions didn't please Colonel Rabuka and he was to strike again before the month was out and, finally, declared the country a republic. It may be decades before the country regains its lost prosperity, a fact that doesn't seem to concern the Colonel as he pursues his goal of Melanesian dominance of Fiji's political system. If necessary, he says the Fijian people will go "back to the villages" and lead a subsistence existence in a cashless society.

As impractical as the suggestion may be in economically complex Fiji, Colonel Rabuka can at least afford the luxury of contemplating the "agrarian" option. Most of Fiji's Pacific neighbours cannot. As one member of the Kiribati Government said at the time of the nation's independence in 1979, "What we have here is a lot of sun, sea, sand and coconuts nobody wants."

In the post-colonial era the Pacific south of the equator has become a sea of economic and social contrast and contradiction. Last year Tuvalu and Kiribati

joined nations like Bangladesh and Chad on the United Nations' list of Least Developed Countries. The two were working on their joint application for classification as "economic basket cases" in need of special financial assistance just as Papua New Guinea was realising the enormous economic potential of its vast mineral reserves lying beneath some of the world's most rugged and forbidding jungle.

If its resources are managed properly, most observers agree that Papua New Guinea will, one day, become a regional power in its own right because of its vast wealth while the mini and micro states of the region are destined to remain heavily dependent on foreign assistance.

Midway along the economic spectrum lie a number of nations, such as Western Samoa and Tonga, which are attempting

to meet the post-colonial aspirations of their people through limited industrial, agricultural and tourist development but remain constrained by a lack of natural resources, foreign investment, expertise and, to some extent, systems of traditional land ownership and use.

Two years ago, the Jackson report on Australia's foreign aid attempted to summarise the economic contradictions that dominate life in the Pacific region:

"The area absorbs the highest rate of aid per capita in the world but compared to other regions, the need for aid is only marginal. Everywhere that poverty exists in statistical terms the quality of life is high."

More recently, the Australian Development Assistance Bureau (ADAB), which administers the country's hefty foreign aid bill, described the Pacific bluntly as "a remarkably aid dependent region". In a submission to an Australian Parliamentary inquiry into the South Pacific, ADAB said that "despite large inflows of aid, economic prospects are generally discouraging; there are major constraints to growth."

Australia, ADAB said, has made the mistake, in the past, of believing that all countries in the region would eventually attain self-sufficiency and, as a result, aid given in an attempt to achieve that goal has been misspent.

Although Australia will give an estimated \$A50 million in aid to the region in 1987/88 — in addition to its separate budgetary assistance to Papua New Guinea of more than \$A300 million — ADAB says aid alone will not achieve development for Pacific Islanders.

"In spite of large injections of aid, ►



Primary industry is the core of the Pacific economy.

SPECIAL REPORT

standards of living are tending to fall. Trends to the year 2000 are worrying." The Bureau says the small size of many of the countries added to their large populations causes a significant part of the problem. It believes their limited revenue bases, their remoteness from markets and high transport costs, as well as their open economies with little government control, all conspire to retard development.

To that list of disadvantages many experts add the high cost of maintaining bureaucracies of a type that only a former colonial master can afford. More than a third of Papua New Guinea's annual budget, for example, is swallowed up in recurrent administrative costs.

If ADAB's assessments of post-colonial economic trends in the region are correct, the task of removing what the agency calls the "major constraints to growth" now rests heavily with a new generation of university-educated politicians like Ieremia Tabai, who, at 29, became the first President of Kiribati eight years ago.

Formerly the British Gilbert islands, Kiribati is a nation of 690 square kilometres of land area dotted across 3.5 million square kilometres of the central Pacific. With a population of only 60,000 it already suffers chronically from overpopulation. While the search continues for valuable manganese nodules on the sea floor, the country's only proven resources remain copra and fish. But when asked what he wants for his people President Tabai's response is simple: "I want to be able to say no to foreign aid," he says, "self respect is very important to us."

That sort of determination led, this year, to the signing of a multilateral fishing-access agreement between the 16 members of the South Pacific Forum Fisheries Agency (FFA) and the US. The agreement, which took two years of bitter negotiation to finalise, will be worth \$US60 million to the island nations in licence fees and US industry assistance.

However, the money can only flow once the treaty has been ratified by the US Congress and although the Reagan Administration recognises the strategic importance of the agreement it remains bound up in legislative red tape.

In the meantime, members of the American Tunaboat Association, says FFA director Philip Muller, continue to "poach" tuna in the 320 kilometre Exclusive Economic Zones that surround the islands. Last year Australia offered to supply naval patrol boats to the island states under various defence co-operation agreements, but there were few takers. Most could not afford the annual running costs of \$A200,000.

While the wheels of government in Washington may grind slowly, the money from the tuna treaty will, eventually, flow

to the Pacific. The price of tuna sashimi for the tables of Japan, is currently rising and with the islands free to also conclude agreements on a bilateral or multilateral basis with other fishing nations, the outlook for the industry seems bright.

Unfortunately, there is less optimism surrounding the future of copra. Prices on world markets have only risen slightly on last year, to about a fifth of their 1984 levels. At a recent meeting in Suva called by the South Pacific Bureau for Economic Co-operation (SPEC), copra producers formed a cartel in the hope of saving the industry but, with strong competition from other, more easily processed, sources of edible oils, analysts doubt that it will ever recover. Particularly with Spain and Portugal, both oil seed producers, now pressing the European Economic Community (EEC) to restrict imports from the Pacific.

With nowhere else to turn some nations have been looking increasingly towards tourism as a future source of income but the industry is severely under-devel-

oped and patchy in all but a few Pacific countries.

Pre-coup Fiji had 360,000 arrivals last year while Western Samoa, which has a similar climate and sun, sea and sand which is just as attractive but with virtually no facilities, managed to attract only 20,000 — most of them nationals returning to see family and friends.

Recognising the long-term potential of the industry, nevertheless, SPEC has established a Suva-based Tourism Council of the South Pacific which now operates on a \$US5 million grant from the EEC. On behalf of its 20 members (the independent states as well as American Samoa and French Polynesia) the council aims to co-ordinate tourist development on a region-wide basis.

More capital-intensive, but less subject to changes in fashion or the unnerving impact of a military coup, is mining. New discoveries have led to an investment rush along the Pacific's so-called "Rim of Fire". The latest mining techniques have al-

Ensuring a Free Market

A reborn Spartecca agreement protects Pacific trade.

THE NATIONS of the South Pacific are of vital importance to Australia. Not only is the region of strategic importance as the nations straddle the sea lanes to Australia's major trading partners, but they also constitute a large market.

In fact, the trade balance is so much in Australia's favour that the issue has become a sore point over the years with island leaders.

Australia's exports to the members of the South Pacific Forum in 1985/86, including New Zealand and Papua New Guinea, amounted to \$A321 million. Imports, on the other hand, were around one third of that figure, at \$A127 million. But in 1985 the Australian and New Zealand Governments liberalised their import regulations to accord duty free and unrestricted access to almost all island exports.

Excepted from the open market in Australia were four areas: sugar, steel, passenger motor vehicles and the products of the footwear, clothing and textile industry which were protected by tariffs and quotas. While the clothing import quota has been liberalised more recently, some restrictions remain.

The decision revitalised the existing South Pacific Regional Trade and Economic Co-operation Agreement, (SPARTECA), which had been in force

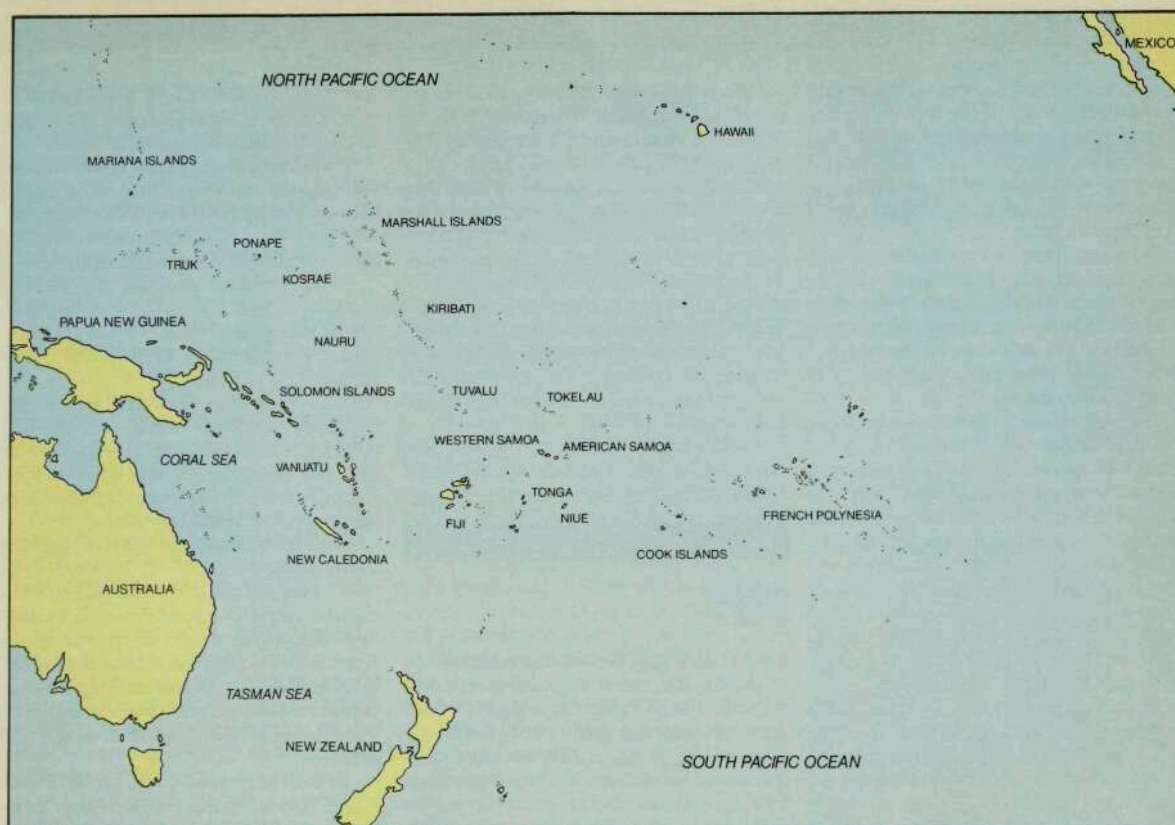
since 1981 in order to encourage South Pacific trade. The agreement is a preferential, non-reciprocal agreement between Australia, New Zealand and the member countries of the South Pacific Forum to progressively achieve duty free and unrestricted access to the markets of Australia and New Zealand over a wide range of products.

However the range of items produced by the South Pacific nations remains small and often overlaps with goods already produced in Australia, such as tropical fruit.

The Spartecca agreement provides island exporters with help to promote their products in Australia and New Zealand and gain economic co-operation in projects. The Australian Government funds the South Pacific Trade Commissioner, who is based in Sydney and whose job it is to help island states to develop goods for export and to seek new markets for their existing industries.

The revised agreement formed at the Forum's regional committee on Trade, meeting in Nauru in 1985, also liberalised the rules of origin of goods.

Island governments see the reformed Spartecca agreement as a success. In 1982, 97 per cent of goods exported by South Pacific island nations were exported under the agreement. □



lowed the exploitation of epithermal deposits of gold around the western rim of a continental plate running through Papua New Guinea, Fiji and the Solomon Islands — so named because of the wealth of gold early explorers believed lay beneath its volcanic surface.

Papua New Guinea already has copper and gold mines in operation at Ok Tedi and Bougainville and has several others in the early stages of exploration and development. Fiji is also a gold exporter and prospecting licences have been granted throughout the Solomons.

While gold remains above \$US350 an ounce development in the Pacific is regarded by investors as viable. The price is now hovering around \$US460 and is expected to remain at that level.

While the Melanesian nations along the "Rim of Fire" may have won in the resources "lucky dip", for the coral atoll nations of Kiribati and Tuvalu and micro states, like Niue and the Cook Islands, the long-term prospects hold little more than aid dependence and remittances from citizens working abroad. Said one aid officer in Kiribati: "There's no point in developing anything here that relies on imported materials. That's too expensive. And, unfortunately, this country has no natural resources of its own."

The Australian Development Assistance Bureau, in its submission to the Parliamentary inquiry into the Pacific,

recognised that the factors retarding development could "even in the most stable of societies" lead to "instability". Australia's Foreign Minister, Bill Hayden, returned home after an eight-nation tour of the South Pacific last year shaken by the same observation.

A year later he spoke to members of the Foreign Correspondents' Association in Sydney:

"There are states in the Pacific with populations too small for self supporting economic activity but growing too fast to benefit from any economic growth. Their land areas are too tiny, but their sea areas are huge. For many of them their colonial past has presented them with unhelpful consequences — living standards set by previous administrations which cannot be sustained; minimal experience of training and education for their people; overly large bureaucracies providing inappropriate services; having to make do with narrow resources bases; dependent on aid and migrant labour remittances instead of production for their wealth.

"Their economic conditions are too serious and pressing to be used for cold war purposes. They understand full well the burden imposed by yet another paradox: that at the same time they are too small and remote to be economically influential and so placed as to be strategically vital."

Australia and New Zealand have long been concerned about economic vulner-

ability in the region leading to political instability which, in turn, could pose a threat to their own strategic interests.

"The best security New Zealand has is a web of nations in good relationship to it, living in peace and not the subject of encroachment by superpowers of any sort," says Prime Minister David Lange. "Now that means we can't take them for granted. Quite simply, they are not to be patronised. (The Pacific) is not our fiefdom and they have their entitlement to not just the quality of life, but something of the quantity of life. And, we are all too ready to dismiss them as enjoying some sort of idyllic lifestyle and then, when the hurricane comes, flying in the blankets and the tents and then waiting for the next one."

Bill Hayden also admits the motives underlying Australia's generous aid to the region are not completely selfless. He says there are two elements to the Australian Government's more active and sympathetic policies towards its South Pacific neighbours:

"The first element is the strong moral justification the Government sees in helping our neighbours out of their economic vulnerability to outside exploitation and interference. The other — and I'm quite happy to be open about it — is that this vulnerability is not in Australia's own interests."

In the past two years, the struggle for economic survival in the Pacific has

SPECIAL REPORT

◀ brought the "Cold War" between East and West into the heart of the region. An announcement from tiny Kiribati, in late 1985, that it was signing a fishing-access agreement with the Soviet Union sent State Department officials in Washington scurrying for their atlas.

President Tabai claimed that he was doing no more than looking after the financial interests of his poverty-stricken people. While American fishermen poached his nation's only viable resource the Russians, Tabai said, "were prepared to pay and pay on time".

Washington, nevertheless, accused the President of Kiribati of undermining the defence of the West by turning what was once a "tranquil ANZUS lake" into another Cold War battlefield. In late 1986 the agreement between Kiribati and the Soviet Union collapsed when Moscow claimed it was not getting value for money out of the nation's Central Pacific waters and wanted to halve its fleet of 16 ships and the licence fee of \$A2.4 million it was paying to the Government in Tarawa.

At one point an angry Jeremiah Tabai declared: "The Americans think we are so poor we will bite at anything, but they are wrong," and, almost as if to prove his argument, he rejected the new Soviet deal.

Vanuatu has since signed an agreement with the Soviet Union and Bill Hayden has laid the blame for Moscow's successes squarely on the shoulders of the American Tunaboat Association and the Administration in Washington.

"There can be little doubt," Hayden says, "that the Soviet interest in doing fishing deals with South Pacific nations is connected to clumsy attempts by private American interests to exploit fishing areas (in the region)."

Japan, too, has signalled that it no longer intends taking the Pacific for granted. Although the region receives less than one per cent of its total aid budget, Tokyo's assistance to the islands has been growing faster than contributions from any other donor. In 1985 the Japanese spent \$A23 million in the islands and nearly \$A6 million in Papua New Guinea. During a swing through the Pacific in January, Foreign Minister Kuranari announced the establishment of a \$US2 million special development fund for the region and invited South Pacific Forum officials to make regular visits to Japan.

While Tokyo is keen to move in (to keep the Soviets out) it recognises that it has a lot to learn about the unique problems associated with donating aid to the mini and micro states of the Pacific. Japanese officials have regularly sought advice from Australian experts. "Their bureaucracy, for a start, is not geared towards projects that don't run to millions of dollars," said a Canberra-based aid officer.

While Australia has undertaken larger projects, such as the Maritime Training School in Tuvalu and a desiccated coconut factory in Tonga, 95 of Canberra's 169 current projects are valued at less than \$A250,000. The 47 projects scheduled for Tonga in 1986/87, for example, totalled no more than \$A5 million. In the past year, the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA), which gives island producers duty-free access to Australian and New Zealand markets, has also emphasised the need for aid investment in export oriented industries.

"There is no point in allowing them into our markets," observed an Australian official, "unless they have something to sell."

FIJI

UNTIL last May, Fiji was the success story of the Pacific, the only country listed in ADAB's "Self Sufficiency Model" category for countries with a relatively high standard of living, skilled workforce and infrastructure and a very reasonable level of independence. It had successful tourist and sugar industries and was the only na-

tion in the region with a manufacturing base. But the economy of post-coup Fiji is extremely vulnerable.

Investors are sitting back to watch what will happen on the political scene before they commit their money to the country. And the situation has been exacerbated by the recent devaluation of the dollar.

"If the political situation in Fiji is not resolved shortly," Westpac's manager for the Western Pacific, Mr Russell Leitch, said, "the economy of Fiji will suffer further."

According to Mr Leitch, the economy "dropped to a lower plane" after the first coup than the latest ruction. However, he said if a political solution was not soon found, investor confidence, and with it the economy, would suffer more.

"Fiji is in for a fairly tight period," Mr Leitch said.

The second coup has pushed Fiji's foreign exchange reserves down to \$F110 million. According to the Governor of the Reserve Bank, Mr Savenaca Siwatibau, just weeks before the second coup the slide had been arrested and reserves had been stabilised at \$F130 million following a wild drop.

Before the original coup, Mr Siwatibau said, Fiji was "doing very well. Our inflation rate was quite low — last year it was

Burns Philp Goes Hi-Tech

A change of policy for the trading giant.

THE ISLANDS trader and now industrial group Burns Philp & Co reported a 45 per cent jump in its after tax profits to \$A58 million for the year.

The Chief Executive of Burns Philp, Mr Andrew Turnbull, attributed the strong result to the performance of its recent acquisition, the American food giant, Fleishmann. He said the United States yeast and vinegar producer had "kicked in about \$A14 million" to help double the profit of the food arm.

The group lifted its pre-tax profit by 32 per cent to a record figure of \$101 million.

Burns Philp is in the process of shrugging off its traditional image of a south sea islands trader and is becoming more heavily involved in high technology food production.

Mr Turnbull said the firm had absolutely no regrets about its change in direction, but stressed it was not intending to pull out of the Pacific. "There have been rumours, but we intend to keep our commitment to the region," he said in Sydney.

Mr Turnbull described the company's decision to expand in more lucrative directions as in keeping with the "hard nosed" business principles of the original founders. Burns Philp plans to continue its campaign of acquiring companies both in Australia and overseas that fit into the group's core businesses.

The company has been hiving off its loss making or less profitable interests and concentrating on its core business, such as food production, hardware, shipping and trading and its investment interests. However, Mr Turnbull said Burns Philp's shipping and trading as well as its Pacific division had reported improved results.

The company has divested itself of a range of businesses, including its photographic interests, its 50 per cent holding in the stevedoring company Conaust Ltd and its finance subsidiary Burns Philp Finance Ltd.

It is also in the process of selling Ira Berk Pty Ltd, its wholesale distribution network for Nissan motor vehicles, which will result in a net loss to the

less than two per cent. Our foreign reserves were the highest they had been — in fact it was \$F170 million — extremely high compared to previous years and investments were beginning to come in. We were looking forward to a balance in our current account. Things were looking extremely good."

To prevent the economy going into a tail spin, the currency was devalued, interest rates were uncapped, and rapidly hit 20 per cent, and public sector salaries were cut by 15 per cent.

In the private sector, some workers took cuts of 50 per cent.

But even the most prompt action could not recover lost investor confidence. The second coup struck a more savage blow as it proved the changes taking place in Fiji were far more than a temporary disruption.

"Fiji has permanently lost some investments through the coup and others have been delayed," the South Pacific Trade Commissioner, Mr Bill McCabe, said.

"It will take time to rebuild investor confidence. Money is nervous."

It is believed that projects worth hundreds of millions of dollars have been put on hold and observers say that Fiji has now lost some developments to other island nations.

Investor confidence has also been hit by the Government's slamming the door

on the flood of foreign exchange leaving the country.

While it was necessary to stem the flow, the penalty for the rigid control of the movement of capital is that it is hard to entice new investment.

Money is nervous at home as well. "Business is disastrous," Mr McCabe said. "Trade through consumer items in retail is way down — about 50 per cent of what it was in early May. In some ways that is not too bad as imports are down and people are growing their own food. But the sales of big items, such as cars and refrigerators, are almost nil. There is simply no consumer confidence to spend what money they have."

Situated on the trade route to Australia and the US, Fiji is the only independent South Pacific nation to have a significant manufacturing base. Its clothing industry already exports more than \$F4m worth of goods to Australia, and it was expected before the coup that the industry could have been producing \$F10m worth of export income by the end of next year. Fiji's sugar industry benefits from access to the lucrative American market, but that, too, is under a shadow following the coup as observers question the willingness of Indians to cultivate their holdings during a time of upheaval.

The tourist industry has also suffered with occupancies dropping to just five per cent immediately after the coup. They

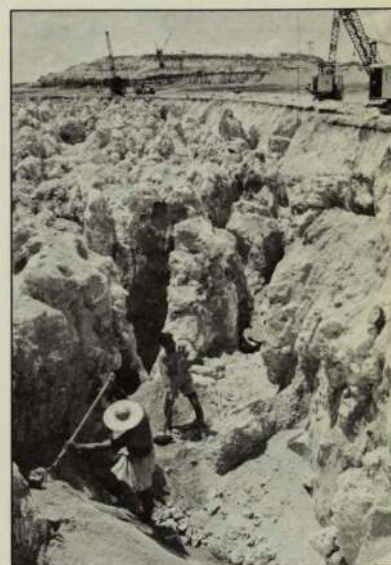
quickly rose to 55 per cent, just covering break-even point, but the second coup will have further negative effects on this vital sector of the Fiji economy.

NAURU

THE island is, per capita, one of the richest countries in the world. It is the only island state that receives no aid, but actually gives some assistance to its neighbours.

Observers believe that aid may not become necessary for Nauru if the returns from the country's phosphate mining industry are invested wisely.

Nauru is a small, round island of just 24 square km and a population of around 7000. Its GNP is \$100m, giving it a per capital income of \$13,000.



Nauru's ravaged landscape.

While the phosphate lasts, Nauru will remain wealthy. However, the reserves of phosphate are rapidly being depleted and while the Government estimates there are 10 years of mining left, some observers believe the island could be worked out in less than three.

The country has few other prospects for development. The soil is poor and rainfall is irregular, limiting the prospects for agriculture.

A question mark hangs over the husbanding of the income from the phosphate mine, and according to ADAB, some technical financial assistance may be necessary to prevent Nauru slipping from its self sufficient position.

Nauru is rated by ADAB as an "Expiring Resource Boom State".

(See our story on Nauru's fight for compensation from Australian, NZ and British phosphate miners, on page 20.) ▶

company, and Burns Philp Travel.

Despite losses in closing down or selling non-strategic businesses, Burns Philp netted an extraordinary profit on the sale of properties and investments, including the company's plantations in Papua New Guinea.

The Pacific operations had experienced a "big lift" from \$A4.9m to \$A7.1m, particularly through the profitability of the Papua New Guinea operations, where the company had successfully replicated its clean-up campaign. "We are doing what we did in Australia — getting rid of the loss makers, which means a general improvement in the effectiveness and efficiency of business. It has come home with a bang," Mr Turnbull said.

The company has spent a total of \$A200m on Fleishmann's, including the purchase price and the installation of state of the art Australian technology. "The food division is coming through very strongly, and the US business is very attractive," Mr Turnbull said.

Mr Turnbull said the company was keen to continue to make acquisitions and form joint ventures. "We are looking at several possibilities in Australia and overseas," he said.

Mr Turnbull said now that the core

businesses were "clean and tidy", the group would continue to grow strongly. He said the company would concentrate on consolidating the gains it made during the 1986/87 financial year, and said the present financial year would be profitable, but less dramatic. Equity profits, mainly from QBE Insurance, returned an improved result at \$A11.5 million.

The overall improvement in profit was partly offset by an increase in income tax due to a rise in the corporate tax rate and the fact that the company is gradually using up its available tax losses.

Mr Turnbull said the company's overall tax rate was significantly lower than the average corporate rate as a significant proportion of the profits were earned overseas in countries that imposed a lower tax burden.

Mr Turnbull said the company experienced no foreign exchange exposure, as they had naturally hedged their borrowings overseas against their interests in each country.

He said Australian debt had been reduced through a recent rights issue and share placement, and added that their debts in the United States were at the comparatively low interest rate of eight per cent. □

SPECIAL REPORT

PAPUA NEW GUINEA

THE sleeping giant of the South Pacific is beginning to stir. While it is still heavily dependent on aid from its former colonial master, Australia (expected to total \$A300.9 million for the 1987/88 financial year or one third of the country's budget), PNG is tipped to become a significant regional force by the turn of the century. It has no manufacturing base of any real note, but Papua New Guinea has mineral reserves that are as rich as Croesus. "It has a tremendous future as one of the world's top gold producers," the South Pacific Trade Commissioner Mr Bill McCabe has said.

Ok Tedi has begun copper production and high gold and copper prices mean that PNG is already benefiting from the boom. Its islands are scattered along the legendary "Rim of Fire", where Australian gold explorers are paying regional governments large sums to stake their claims and search for gold. Names like Lihir and Bougainville are being bandied around by brokers in Sydney and Melbourne as often as Kalgoorlie once was.

Ok Tedi, now under the management of BHP, a 30 per cent shareholder in the project, made K17m operating profit and K28m profit from exchange gains last year and should report further profit gains in the coming months. The project produced its first gold in 1984 and signed a \$A2 billion copper contract with a consortium of Japanese companies in August. As the PNG Government holds a 20 per cent shareholding in the project, the rewards are already flowing into the country.

The increased interest in gold exploration will bring immediate returns from licence fees and prospecting expenditure, but there are also expectations of large profits in the future from good finds.

However, an industry that has been a strong export earner for years, coffee, faces serious problems — coffee rust is crippling the small plantations owned by Highlands villagers who are the backbone of the industry. The trees have grown old and unproductive and large-scale rehabilitation of the small holdings is urgent. Re-planting would help fight coffee rust and improve the output.

While some bullish observers believe Papua New Guinea's biggest problem next century will be how to spend its new-found wealth, the country still faces some daunting development hurdles. The population is well scattered with a remarkable diversity of language and culture. The rugged

terrain creates transport and communications problems and also makes the exploitation of minerals difficult. The economy relies heavily on agriculture and resources and the government needs to broaden the base to include manufacturing.

"They need a legal program to put laws into place that enshrine financial incentives such as tax break and immigration laws that guarantee investors the right to live and work in the country and to recruit from overseas," Mr McCabe said. "If they develop a tertiary economy, a service industry will follow."

PNG is rated by ADAB as a "Melanesian Growth Model", characterised by countries with large under-developed agricultural and mineral resources and good prospects of raising their incomes to the point where they can become independent of economic aid.

SOLOMON ISLANDS

THE Solomons is another country fortunate enough to straddle the mineral rich "Rim of Fire", and eventually, its future will be far wealthier than could have been expected. The country already has \$S2m worth of gold exploration in the pipeline and more should follow as mining companies perfect their techniques to recover epithermal deposits.

According to the Australian National University *Pacific Economic Bulletin*, the

country could well be "the greatest beneficiary in the region from the current influx of foreign investment associated with minerals exploration and development" on a per capita basis.

It is believed the exploration fees paid to the Government of the new Prime Minister, Mr Ezekiel Alebua, this year and next year, for permission to search for gold could equal the amount the country is currently paid in aid.

The Solomons, also a "Melanesian Growth Model", had been in the enviable position of having almost enough export generated revenue to pay for their imports, although demand for imports was modest — until two devastating cyclones struck. "Until then, the Solomons had a favourable balance of trade, based on their palm oil industry," Mr McCabe said. "The cyclone wiped out their rice harvest and much of the country's infrastructure has not yet been rebuilt."

The Solomons is still trying to recover and development planning has had to be diverted to reconstruction. The development budget this year is the biggest ever at \$S176m plus an additional \$S7m allocated for cyclone rehabilitation.

The Government maintains a flexible exchange rate policy to allow for the flow-on of international price and interest rate changes. The Solomon Islands dollar has been depreciating against its Australian and US counterparts.

One cloud on the economic horizon is the growth in the deficit and the consequent growth in international borrowing, due both to the cyclones and the sluggish performance of commodity prices.

The Solomons is the least densely populated of the Pacific island states with



Bougainville Copper's Panguna Mine in PNG.

250,000 people sharing a land area of 28,000 square km. The GNP is a respectable \$S228m and while that is already \$S900 per capita, it is certain to increase in coming years. The Solomons also has the most diverse agricultural base with export returns from copra, fish and timber as well as palm oil. It is the largest producer of fish in the region and will benefit strongly from the fishing treaty with the United States.

VANUATU

IRONICALLY, Father Walter Lini's Vanuatu, also a "Melanesian Growth Model", is benefiting from the troubles in Fiji. The tourist industry began a long slide following the revolt on Espiritu Santo led by Jimmy Stevens in 1980. But now tourism, an industry that fluctuates and turns with its host country's fortunes, is beginning to

recover as many Australians opt for a safer tropical paradise.

Additional aircraft are being leased by the country's airline to increase the number of visitors and, by the end of the year, it is expected that most hotels closed to repair cyclone damage will be reopened.

When a severe cyclone struck in May, it caused 48 deaths and about \$A35m worth of damage to agriculture and infrastructure. Aid donors quickly provided funds for a rehabilitation program estimated at about \$20m and, so far, 65 per cent of that money has been received from Australia, the UK and Japan.

The reconstruction of the damaged infrastructure may prove to have a hidden blessing as it could make a significant improvement to the country's capital assets.

The potential for economic growth had been slipping before the cyclone struck. Tourist numbers had been falling, discouraged by the high exchange rate, the reduction in air services and the cost of flying to Vanuatu compared to similar destina-

tions. Like its neighbours, Vanuatu was suffering from falling world prices for its copra, fish and beef.

However, the signing of agreements with both the US and the Soviets should net the country substantial foreign exchange earnings. Around 170,000 ni-Vanuatu have almost 12,000 square km of land area, giving them one of the least densely populated countries. The country's GNP is about \$115m, or \$900 per capita. It is estimated that only half the available arable land is used, so prospects for further growth are good.

Perhaps the most interesting of Vanuatu's foreign exchange earning gambits is its International Finance Centre, a tax haven created by the British during condominium rule in 1971. The finance centre has attracted a range of foreign banks and trust companies. The tax legislation is designed to make Vanuatu a pure tax haven in the mould of the Bahamas and Bermuda.

Vanuatu offers companies an environment free of foreign exchange control and a liberal set of company laws as well as a good range of financial and legal expertise. Government revenue is raised from import and export duty. A 10 per cent tourist tax is charged on hotel and restaurants and a range of stamp duties and licence charges are levied on business.

The International Finance Centre now provides the Government with its third largest source of revenue and employs almost 300 ni-Vanuatu. The Government is also expected to garner about \$300,000 in fees this year from the 70 ships on the country's shipping register.

New Caledonia Picks Up

Tourists and trade are on the way back.

CLASHES in New Caledonia between French settlers and indigenous Kanaks have dealt a severe blow to the island's economy. Only 75,000 tourists visited the island this year, a considerable drop on the figure of 90,000 the year before. Australians, particularly, are staying away in droves. In 1984, 26,500 Australians holidayed there. When the first violence broke out the numbers plummeted. The following year only 5,600 chose New Caledonia.

The number of visitors is creeping back up, however, with 9,800 Australians venturing to New Caledonia last year.

The industry already turns over around CFP8 billion a year, and New Caledonian authorities hope they will eventually be able to tempt 200,000 tourists to visit. The slump in tourism is worrying because the island's main export earner, nickel, is suffering from severely depressed prices.

New Caledonia is one of the wealthiest islands in the South Pacific — a wealth that is built on money pumped into the territory from France, but also on its rich nickel reserves.

The island is the world's fourth biggest nickel producer, hiding a third of the world's reserves beneath its relatively sparsely populated surface. However the USSR is another significant nickel exporter and last year it announced a huge step up in its nickel exports, which forced prices down.

There is every indication that they will continue to flood the market. Concern over the future of the nickel industry has acted as a deterrent to new investment.

The mining industry remains the backbone of the economy, employing 3000 people and accounting for 85 per cent of export revenue.

While the industrial sector is beginning to diversify, it is unlikely that New Caledonia will be able to establish a manufacturing base. The minimum salary is \$1,200 a month — fully 20 times higher than that paid in neighbouring Vanuatu.

The revenue raised from its export activities only covers about 85 per cent of the value of the territory's imports.

Despite the tension between France and Australia over the question of independence, trade with New Caledonia is growing rapidly. Australia sold more than \$50 million worth of goods to the island last financial year, an increase of 25 per cent. Australia now supplies most of the island's fruit and vegetable requirements.

As well as the French Overseas Territory of New Caledonia, with its population of 145,000, France administers French Polynesia (166,000) Wallis and Futuna (12,500).

France's spending on the Pacific territories is considerable and totals in the vicinity of \$A240m on New Caledonia and \$A400m on French Polynesia per year. □

W SAMOA

DESPITE the fact that last year Western Samoa managed to balance its current account and ended the year with a historically high overall surplus, all is not as well as it seems. Even though the Government salted away almost 54 million tala in foreign reserves, the balance of payments has serious structural problems. The only reason Western Samoa was able to balance its books was because imports dropped to match the slump in its exports.

The country is categorised as "Subsistence Affluence", that is, enough natural wealth to support the population well above minimum subsistence level, but not at the level to which it aspires. Exports were down by tala 10 million, largely due to the fall in coconut oil prices. The Government responded by tightening its credit policy and reducing development expenditure in order to bring imports down. In the 1987 Budget, the Minister for Finance announced more fees would be introduced to compensate for the expected further decline in export revenue.

While the vegetable oil price has rallied ▶

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SPECIAL REPORT

◀slightly, Western Samoa's coconut industry is beset by problems. Even the price improvement has not made its coconut oil mill a viable economic proposition — it operates at a heavy loss. Many of the islands have to come to terms with the fact that the resources they depend on are worth progressively less. In 1985 coconut oil comprised almost half the country's total exports but the price they receive is now around half the 1985 levels and about one fifth the 1984 price.

Western Samoa is keen to build up its fledgling tourist industry, which now makes up 20 per cent of export revenue.

Government expenditure is expected to be lower in the coming year than last, and despite the high foreign exchange reserves, it appears that Samoa will be forced to take out a national development loan of tala 2.5 million to pay for the Government's expenditure program.

Samoa's 161,000 people share land area of almost 3000 square km. Their GNP of \$A170m gives them a per capita income of \$1100.

TONGA

THE realm of King Tupou IV, also ranked "Subsistence Affluence", has hit on a scheme to ensure its growth outruns that of its island neighbours. It is the country's Small Industry Centre where the Government has provided the infrastructure for small export industries to set up.

"Tonga is doing remarkably well with the centre," Mr McCabe said. "They are building fibreglass boats, surf skis, leather jackets and even make knitted jumpers for the US market." The Tongan Government provides the buildings and facilities such as water, power and phones to make setting up in Tonga as attractive as possible.

"They have reduced tax to attract business and have streamlined the system to attract foreign investors," Mr McCabe said.

Tonga is also attracting foreign investment with low rental and labour costs. However, there are constraints to the establishment of a great many more manufacturing companies because like most Pacific nations, raw products are few, there is a limited market in the area and transport costs to other more profitable destinations are high.

Tonga is one of the more densely populated nations with more than 150,000 people living on scattered islands with a total land area of less than 700 square km. The GNP is about \$A115m, or \$111 per capita. Tonga also receives some income from the 40,000 Tongans who are working in Australia, the US and New Zealand. But income from remittances is irregular and

is often spent by the families on imported goods. It is also obtained at the cost of a large proportion of the country's skilled labour.

However, all is not well with the country's copra production. The largest industrial concern is the desiccated coconut plant, largely financed by Australian aid, which has been rebuilt three times and is still not fully operational. For the factory to run at full capacity, Tonga would have to become a net importer of coconuts at a time when demand and prices for the product are sluggish at best.

KIRIBATI

THE nation faces particularly acute difficulties due to its resource poverty and its scattered coral atolls. Kiribati is made up of 33 islands that together make up just 800 square km of land area, and are host to 60,000 people, giving the country a population density of 88 people per square km. But the country labours under the added difficulty of being scattered across five million square km of ocean, making even transport and communications prohibitively expensive.

The country, rated a "Microstate" — small populations and small land areas divided between islands scattered over wide distances, remoteness from world markets, and with a high dependency on aid — is destined to remain aid-dependent as it has no significant resources to exploit or base industries to rely on.

Kiribati has its Resource Equalisation Revenue Fund, which is based on the accumulated earnings from previous phosphate mining that is now exhausted. The fund contributes towards covering some of the country's recurrent budgetary requirements.

The country has allowed its controversial fishing deal with the Soviet Union to lapse after netting an estimated \$2.4 million. It is believed the Soviets were unwilling to pay such a high premium for another year, which cast some doubts on the wealth of fish in Kiribati waters.

The nation is expected to benefit from payments, by the US Government and the American Tunaboat Association, for access to its waters when the United States Congress ratifies the agreement signed in Tonga with the Forum Fisheries Agency last year.

This obligation, Mr McCabe said, should be particularly important to a small country wishing to decrease its dependence on foreign aid.

Kiribati received foreign aid equal to more than half of its national income. The country's GNP is just \$A43m, giving it a per capita GNP of \$650.

TUVALU

THE tiny nation that once made up the Ellice half of the Gilbert and Ellice Islands has the dubious honour of being the most densely populated of the Pacific island nations and observers say that it is quickly moving towards its sustainable population ceiling of 10,000 people. Tuvalu's nine coral atolls total just 26 square km of land area, which means there are approximately 308 people to the square km.

Like its neighbour, Kiribati, which was the Gilberts half of the British colony before independence, Tuvalu, a "Microstate", has few natural resources and little opportunity to develop export industries. With a GNP of less than \$6m, it appeared Tuvalu was destined to be forever dependent on foreign aid.

But in August, Tuvalu's ability to meet its recurrent budget needs was assured when it made world history by establishing the Tuvalu Trust Fund. The country will no longer be forced to live off the sales of its stamps — it will live on the interest of its investments. Westpac Investment Management will manage the trust fund that is made up of \$A27m in grants from Australia, New Zealand and Britain. The money will be invested in a variety of low-risk assets including fixed interest funds,

PACIFIC CURRENCY RATES AS AT OCT 20, AGAINST \$US								
	Australia ⁽¹⁾ SA	New Zealand ⁽²⁾ NZ\$	Fiji F\$	New Cal./Tahiti CFP	PNG Kina	Solomon Islands S\$	Vanuatu Valu	Western Samoa Tala
Dec 1985	1.47	2.01	1.12	136.47	1.010	1.61	100.25	2.31
Mar 1986	1.40	1.88	1.09	129.18	0.965	1.63	107.25	2.26
June 1986	1.48	1.85	1.12	126.61	0.963	1.72	103.73	2.18
Sept 1986	1.59	2.04	1.17	119.40	0.974	1.82	100.62	2.27
Dec 1986	1.50	1.91	1.15	116.46	0.961	1.99	116.24	2.20
Mar 1987	1.42	1.77	1.09	107.90	0.912	1.98	110.32	2.14
June 1987	1.39	1.69	1.31	110.09	0.901	2.03	111.16	2.12
Sept 1987	1.40	1.53	1.27	110.66	0.895	2.01	111.02	2.06
Oct 1987	1.38	1.53	1.50	108.90	0.884	1.98	109.40	2.04

(1) SA includes KIRIBATI, NAURU, TONGA (Pa'anga) and TUVALU (2) NZ\$ includes COOK ISLANDS, NIUE and TOKELAU. \$US (USDI, or \$1.00) includes AMERICAN SAMOA, GUAM and USTT

equity and property and will be designed to generate an income and to grow.

Tuvalu's Prime Minister, Dr Tomasi Puapua, expects to net about \$A2m a year in interest from the fund.

COOK ISLANDS & NIUE

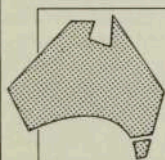
WHILE the two "Microstates" have a limited resource base, their status as independent, in free association with New Zealand, gives them significant benefits.

As New Zealand citizens, the islanders have access to the New Zealand and Australian labour markets.

However, the attractions of the two regional powers have tempted away the young and the skilled labour, which has made it difficult for those staying behind to develop the islands.

There are just 3000 people on the 250 square km island of Niue, while the Cook Islands together make up slightly less land area with considerably more people. There are 22,000 Cook Islanders on 15 islands.

Niue's GNP is \$4m, or almost \$1550 per capita. The GNP of the Cook Islands is closer to \$30m, giving them a per capita income of \$2000. □



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FORUM

Gorbachev's Pacific Ambitions: The Soviets are Here to Stay

In our Forum pages this month, PETER YOUNG, Australia's top defence writer, reveals the strategy behind the Soviet Union's Pacific power play and how Mr Gorbachev plans to reap the political, economic and security benefits of its presence in the region.

JUST OVER a year ago in Vladivostok, in his now famous Pacific Seafarers speech, Soviet Secretary General Mikhail Gorbachev spelled out what was seen by many as an ambit claim on the Pacific by the Soviet Union. "In Asia, in Siberia, in the Far East," he said, "lies a greater part of our country's territory. It is here that many national tasks put forward by the Party Congress will be resolved. Hence the situation in the Far East as a whole, in Asia and the ocean expanses washing it, where we are permanent inhabitants and seafarers of long standing, is to us a national state interest."

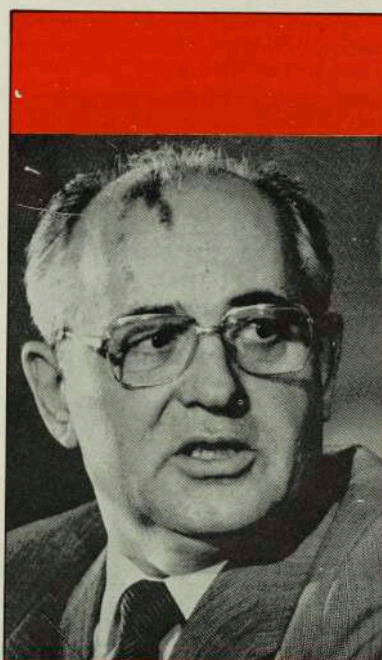
The wording may sound clumsy to western ears but the intent was unmistakable. The speech was specifically given in the context of what Mr Gorbachev called "the Asian Pacific Viewpoint" and it established a Soviet claim to play a part in Pacific affairs. It also signalled the growing importance placed on the Soviet Far East by the new leadership.

The Soviets have long eyed off the Pacific as a promising area for expansion but had been blocked by the British and Americans and more pressing security problems in the West. But by 1964 they had gained a foot in the door by cleverly exploiting the age-old Vietnamese fears of Chinese domination and replaced China as the major source of aid in Hanoi's struggle against the Americans.

To the Soviets, Vietnam not only blocked the southward expansion of China but afforded operational access into the Pacific free of the choke points of the narrow straits of Tsushima, Tsugaru and Soya in the Korean sea which limited Soviet bases further north at Vladivostok and Sovetskaya Gavan.

The Soviets had also quickly stepped into the vacuum left firstly by the departing British, and then the Americans, following their decision to withdraw from Vietnam in 1968 by deploying forces into the Indian Ocean. They also began to build up their bases in Japan's Northern Territories.

In June, 1978, the Soviets signed a treaty



**Gorbachev:
claiming a stake in
Pacific affairs**

of Friendship and Cooperation with Vietnam and tied Hanoi into an economic client state status. It was an act which not only allowed Vietnam's invasion of Cambodia but opened the way for Soviet naval visits.

Since then, the Soviets have steadily built up their Soviet Far Eastern "Red Banner" Fleet at Vladivostok to a point where it is now the biggest of their four Fleets.

The Fleet itself is backed up by major air and land forces which form part of the Far East TVD — or Military Theatre of

Operations. This Pacific force now enjoys a priority only second to Western Europe and it continues to be reinforced by the most modern vessels and equipment — including the Kiev class aircraft carrier which is equipped with 550km range SS-N-12 anti-ship cruise missiles, and the Kirov class nuclear-powered guided missile cruiser.

This force is primarily aimed at protecting the seaward approaches to the Soviet Far East, but has now been given a new reach into the South and South West Pacific through the use of the staging base at Cam Ranh Bay on the central South Vietnam coast.

Over the past eight years, the abandoned American naval base has been built up to a level where it has now become the focus of Soviet activity within the region — and, according to United States sources, is now the site of the largest concentration of Soviet forces deployed to any Soviet naval facility outside the Warsaw Pact.

This concentration now includes submarines and capital ships with supporting surface combatants and a composite naval air unit made up of "Badger" strike and combat support aircraft and "Bear" and reconnaissance and anti-submarine aircraft. There is also a Squadron of MIG 23 "Flogger" interceptors permanently on station to provide air defence.

It is also reliably reported to include a signals intelligence station targeted against China, the Philippines and US naval activities in the region and protected by fixed anti-aircraft batteries manned by Soviet personnel.

According to Admiral Hayes, the US Commander in the Pacific (CINCPAC) at a press conference in Sydney in February this year, at any one time there is a permanent deployment of 20 to 25 Soviet ships at Cam Ranh Bay — including four submarines. He also placed the number of Soviet military personnel on permanent assignment at any one time as "round 2500".

The latest information points to an extensive building program, which supports

American claims that the base is a permanent facility. Additional piers have been constructed and a large fuel facility capable of storing about five million litres of fuel for ships and aircraft has been built on the site. Satellite photographs also show that further construction has increased the facility's dock space by around 20 per cent.

There is also evidence that the Soviets are supplementing this facility by a new base at Kompong Som in Cambodia. This is primarily designed to support Vietnamese military operations in Cambodia but has a secondary role as yet another waystation for the projection of Soviet naval power into the Indian and Pacific Oceans.

In addition to these peacetime roles, the Base at Cam Ranh Bay is ideally suited as a springboard from which

to isolate Allied East/West sea lanes of communications in the event of any major outbreak of hostilities either in Europe or, more importantly, in the Middle East.

Western defence analysts believe that the base has five main aims:

- To allow Soviet forces to counter US Naval supremacy in the Pacific by the threat of superpower confrontation.
- To provide support for any pro-Soviet communist insurgency movement in the region at any future date — with the Philippines a prime example.
- To allow Soviet naval forces to counter the Chinese Communist submarine threat.
- To facilitate rapid reaction of naval forces between the Indian and Pacific Oceans.

■ For use

in any regional or ASEAN conflict.

Almost every country within the region has long been alert to the potential of Cam Ranh Bay and these Soviet aims. As early as 1983, the top secret Australian Strategic Basis paper which was leaked to the press warned that "the continued Soviet access to air and maritime facilities in Vietnam must be a cause for alarm."

The London-based International Institute of Strategic Studies (IISS) has routinely accepted the deployment of Soviet forces at Cam Ranh Bay in its annual publication *Military Balance*, with the Institute's 1986/1987 edition accepting an informed estimate of 7000 Soviet troops in Vietnam, half of them stationed at Cam Ranh Bay.

The Japanese Government in its official publication *Defence of Japan '86*, stated that "Cam Ranh Bay is not only home to Soviet ships and planes but contains communications, information gathering and logistic support facilities."

But despite this, until very recently the existence of the base has been denied by Vietnamese and Soviet officials.

In fact, an article by this author in *The Australian* published aerial photographs that clearly showed the presence in Cam Ranh Bay of two Foxtrot SSBN Submarines, one nuclear-powered Echo II class SSGN, two Grishka Frigates and a Nanuchka Patrol Craft. Other photographs of the adjacent airfield showed Badger and Bear bombers and Flogger fighters lined up wingtip to wingtip.

The first Soviet response was to deny the photographs, with Mr Zemskov saying that the photographs "did not show what was ascribed to us". In March however, whilst on an official visit to Canberra, the Soviet Foreign Minister Mr Eduard Shevardnadze finally admitted the presence of the base, describing it as "low level" and little more than "a way station".

This line was later taken up by Admiral Amelko, reportedly the Deputy Commander at Vladivostok, who said that it was not a base in the true sense of the word. Soviet ships, he said ... "really only call in order to replenish their food stocks and take rests." The USSR ▶



“... the Soviets now have the military power to challenge and limit US freedom of action in the Pacific”

◀ he said, does not have “permanently based forces in Vietnam nor does it hold the territory on lease.”

But no matter what the rationale, there should be no doubt that the Soviets now have an established military presence in the North Pacific and an increased capacity to influence events within the South and South West Pacific because of Cam Ranh Bay.

This military presence also has been accompanied by a matching trade and diplomatic offensive within the island nations in the Pacific. Fishing agreements have been concluded with Kiribati and Vanuatu and attempts have been made to write similar agreements with Fiji and Papua New Guinea.

The Soviet Union also has picked up much credit for agreeing to sign the South Pacific Nuclear Free Zone Treaty — albeit with major reservations that afford grounds for abrogation any time it wishes. Mr Gorbachev has also proposed a series of disarmament initiatives in the Pacific in line with his stated aims of “global disarmament by the year 2000”.

This policy theme of disarmament and trade and a renewed strategic interest in the region was followed up during the Shevardnadze visit in March. The Soviet Union, he said, was “entitled” to have an interest in the tranquility and stability of the region because of important sealines of communications that are important to the Soviet Union.

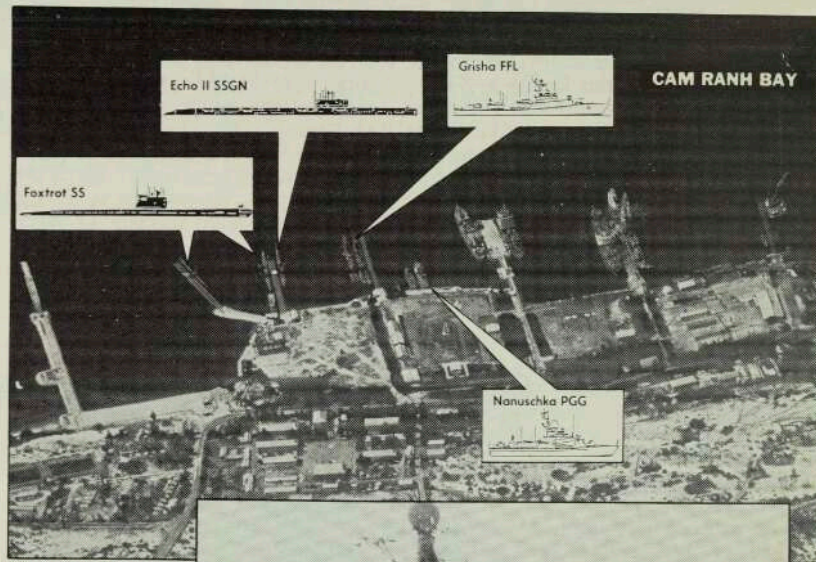
But he also issued the blunt warning that the Soviets were concerned over the region because “... it is potentially an area of military threat against us”.

He also defended the Soviet military buildup on the grounds that the Soviet Union was surrounded by foreign military bases “... which threaten us from the East, from the North and from the West”. And as long as this threat persisted, he said, the Soviet Union would take corresponding measures.

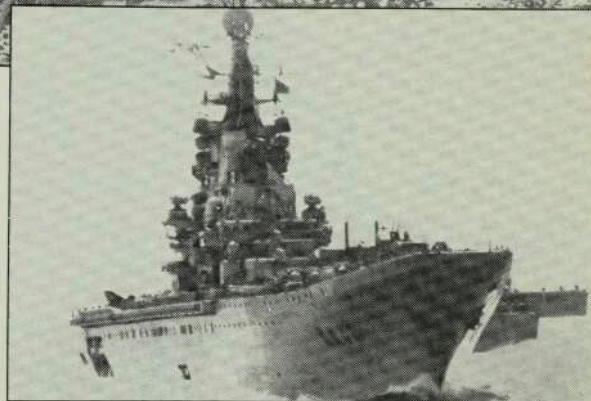
All of this was seen with a jaundiced eye by the United States and some nations within the Pacific, which believe this new combination of a trade and diplomatic offensive and military buildup is designed to cover wider long-term strategic aims.

But in a watershed interview with the Indonesian newspaper *Merdeka* in June this year, Mr Gorbachev reiterated the Soviet Union’s peaceful aims and strongly defended himself against his critics.

The Soviet Union’s diplomatic and trade relations with one particular country in the region he said, was immediately slammed by critics as “an insidious political intrigue”. His opponents claimed, he



Above: The aerial photograph that proved the Soviet Union had transformed Cam Ranh Bay into a strategic Pacific springboard. Right: A Russian warship engaged in manoeuvres. The Soviet presence in the Pacific is increasing.



said, that “the heavy artillery of political pressure” was being employed in an attempt to intimidate the governments and peoples of small Pacific states that are still learning to stand on their own feet.

At face value, Mr Gorbachev’s claims must of course be accepted. But at a seminar in Canberra in August Australian Foreign Affairs Minister Mr Bill Hayden voiced his grave concern over the Soviet Union’s ultimate aims. In a stunning indictment he claimed that he had no doubt that “the Soviet Union aspired to *drive out* the US presence and influence in the Region — militarily in the first instance — in order to reap the security, political and economic benefits that its own proximity and military preponderance might then be expected to bring.”

But despite these strong words, Mr Hayden accepted the fact that the Soviets were in the Pacific to stay.

The Soviet Union has also gained in that the US has been forced to come to terms with the fact that the Soviets now have the

military power to challenge and limit the United States’ freedom of action in the Pacific.

As a result of this new-found position and acceptance, there are many who believe that all we are seeing is the end product of a carefully orchestrated plan aimed at furthering Soviet strategic and economic ambitions in the Pacific.

There is little doubt that Cam Ranh Bay is central to those aims, and that without it the Soviet Union would not have had the ability to project its power within the South and South West Pacific and Indian Oceans, nor yet to exercise the growing influence it is demonstrating within the region.

The bottom line, of course, is that, as Mr Gorbachev said, the Soviets believe they belong here and are here to stay — ships and all — and there is really very little that anyone can do about it. □

Major Peter Young is defence correspondent of The Australian.

Pacific Stamp Box *Edited by John Hunter*

ON AUGUST 12, Tuvalu issued a set of four se-tenant stamps featuring the flower "Fous" which is worn on the head of a lady. Each se-tenant set features one stamp showing the flowers making up the fou and the other stamp showing the completed fou on the head of the lady. Meanwhile, Tuvalu has circulated a press release warning collectors of Capex '87 and World Scout Jamboree overprints on Tuvalu Rotary/Chess souvenir sheets. The overprints were produced by a UK stamp dealer without the authority of Tuvalu Post.

Forthcoming Tuvalu issues are Crayfish and Coconut Crab on November 11, and Flowers on a yet to be named date in November.

ON AUGUST 18, Norfolk Island issued a set of four pre-stamped envelopes featuring the penal commandants of the island as part of the issues to commemorate the bicentenary of the foundation of the island. A second set of four envelopes will be released next year. Featured in the first set are Lieutenant King, Major Foveaux, Caot, Piper and Major Morriset.

On October 13, Norfolk Island will issue three Christmas stamps. They will feature the children's Christmas party organised each year by service organisations.

Forthcoming issues are: three stamps commemorating the bicentennial of La Perouse's visit; two stamps of the bicentennial of the First Fleet arriving in Sydney; six stamps of the bicentennial of the foundation of settlement; four stamps of scenes of the island.

FIJI ISSUED a set of five stamps on September 7 featuring beetles of Fiji. The subject is one not often depicted on Pacific stamps and so makes a most interesting set.

PAPUA NEW GUINEA issued a set of four stamps on September 3 featuring local starfish. A further pre-stamped envelope in the series featuring the country's provinces was also issued. The envelope features Eastern Highlands Province. The intended issue of a provisional coral stamp was not issued as the basic postage rate was



not increased as expected. However an overprinted coral stamp was issued on September 13. The stamp is a first overprint on a 12t stamp. A scarcity of first stamps made the overprinting necessary — definitely an investment tip as little notice and publicity was given to the issue.

Issues on November 11 will be: four stamps of an aeroplane; Annual pack and year album; Christmas PSE; St John's PSE.

NEW ZEALAND issued on September 16 a set of three stamps for Christmas. Each stamp features an illustration from a Christmas carol: "Hark, The Herald Angels Sing"; "Away in a Manger"; and "We, Three Kings of Orient Are". Four stamps of Visual Arts will be released on November 4.

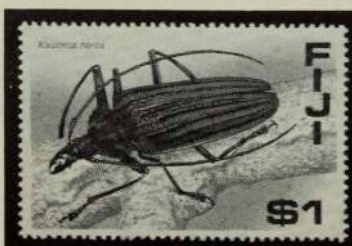
FURTHER ISSUES: Nauru: World Post Day (one stamp and one miniature sheet) on October 9; Centennial of Congrega-

tional Church (one stamp) on November 5; Christmas (two stamps) to be issued on November 27.

French Polynesia: Medical Plants on September 16; Ancient Arms (three stamps) on October 14; Wood Sculpture on November 15; and Grand Missionaries on December 9.

Solomon Islands: Birdwing Butterflies on November 25.

FINALLY, for the trivia buff, by courtesy of the Australian Stamp Monthly an interesting story. The current \$US1 stamp from the Great Americans series carries a hidden symbol. The stamp features a likeness of the Hebrew Educator Dr Bernard Revel. Secretly etched into his beard is a tiny six-pointed Star of David. The engraver Kenneth Kipperman etched the star on to the metal disc of the stamp. The \$US1 stamp was released in 1986 and millions have already been sold. □



Transition

Awarded: A \$A7,500 Westpac training prize to Mr Been Timbo, an engineer with the Kiribati national fishing company Te Mautari. The Westpac Banking Corporation award will enable Mr Timbo to pursue further trade and engineering studies in Australia.

Appointed: Mr James Bryant to chief executive of Union Shipping New Zealand, which combines the operations of the commercial division and the fleet division of the Union Steam Ship Company of New Zealand Ltd.

Also, the company announces that it has named Mr Ken Urry chief executive of Union Shipping Australia, covering all Union group operations that are based in Australia.

Died: Mr Moses Qionibaravi, 49, the former deputy Prime Minister of Fiji and Minister for Finance in the Alliance Government from 1973 until its defeat this year. Mr Qionibaravi died of a liver ail-

ment in Sydney on September 22. In one of his last official duties, Fiji's Governor General Ratu Sir Penaia Ganilau said Mr Qionibaravi's death was a "blow" to the country. "We have lost a true champion of all that is good about Fiji," the Governor General said. □

Appointed: Mr Lindsay Miscros, Solomon Islands' Assistant Secretary, Foreign Affairs, as Solomons' third non-resident Roving Ambassador to the Republic of Korea, Japan and the Republic of China.

Mr Miscros, 37, is from Tikopia in Temotu Province.

Appointed: Mr Peter Peipul, current PNG Ambassador to the European Economic Community in Brussels, Department Head of the Government's Department of Trade and Industry. The previous head of the Department, Mr Wep Kanawi, has been appointed Secretary to the Department of Personnel Manage-

ment, previously the Public service Commission.

Appointed: The Women's Representative in PNG's East New Britain Provincial Government, Mrs Margaret Lavutul, to Minister for Community Development and Women's Affairs.

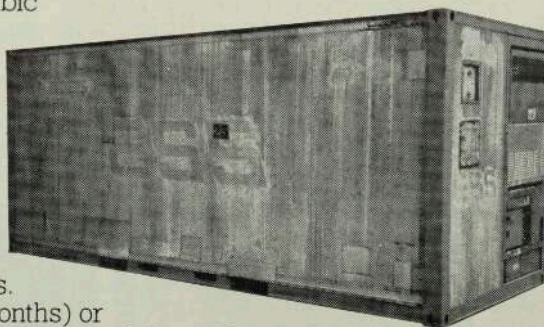
Expelled: French Ambassador to Vanuatu, Mr Henri Crepin-Leblond was expelled after being charged by the Government with "interfering in internal affairs". Mr Crepin-Leblond was given seven days to leave the country. (See story on pages 16, 17.)

Appointed: Mr Lance Joseph as Australia's High Commissioner to PNG, succeeding Mr Michael Wilson who held the post from 1984. Mr Joseph was formerly Minister and Australia's Deputy Permanent Representative to the United Nations from 1980 to 1984. □

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The Island Press

Reports from the papers, compiled by John Carter.

EAST NEW Britain MP Ereman To-Baining said yesterday he was fooled by Government Ministers into signing a letter informing the Parliamentary Speaker he was joining the Government. "I did not write that letter, and although it carries my signature, I must admit I did not read it before I signed it," he said.

The letter read: "I am writing to advise that I have now joined the Government and would like you to arrange sitting in Parliament so that I can be seated with other Members of the Government."

— From the *Papua New Guinea Post-Courier*, Port Moresby.

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— An advertisement for The Rarotongan Hotel in the *Cook Island News*

A SENIOR officer of one of the city's main trading banks was the leader of one side of a big brawl at Mulinu on Saturday in which at least three people received head wounds from thrown stones and bottles.

The brawl apparently started after one of the bank officer's party was beaten up by members of the other side. Unfortunately for the other party the bank officer's group outnumbered them at least four to one.

When the opponents became hard to find the rampaging members of the second party turned on a van standing nearby and smashed the wind screen and even tried to smash a motorbike belonging to the other side.

— From *The Samoa Times*, Apia

BULOLO MP Mathew Bendumb was ordered out of Parliament yesterday — because he was not wearing a tie. Mr Bendumb stood up to ask a series of questions of Prime Minister Mr Wingti but an MP raised a point of order about his dress. Standing orders require all MPs to wear a tie when attending meetings. Mr Bendumb said he had just been turned out of a hotel and was unable to dress up properly. But the Speaker insisted that he leave the chamber. About 10 minutes later, he was back — wearing a tie.

— From the *Papua New Guinea Post-Courier*, Port Moresby

A MAN IS in hospital with a head wound after being attacked with a husked coconut. Superintendent Galuvao Tanielu said the man wounded was asleep at the market when another man walked up and hit him on the head with the coconut. No reason has been given for the attack, he said.

— From *The Samoa Times*, Apia

DISCOS, DEMOCRACY and "new religions" have all been bemoaned by the Youth and Home Affairs Minister. And Mr Burege blamed the loss of the traditional way of living on the educated elite.

"The educated elite, instead of looking at how our grandfathers had practised religion, dancing, traditional leadership, education and so on — and using their knowledge to improve them — have instead promoted new religion, night disco dancing and new ways of having leadership through voting."

— From the *Papua New Guinea Post-Courier*, Port Moresby

HERE AT Pulau we have discovered that our hens are two fold really. Not only do they lay eggs, but are our only forecast of weather. Three to four means it will be hot and humid; five to six per day means it will be warm and sunny; one egg means it will be wet.

— From *The Pitcairn Miscellany*, Pitcairn Island.

A CURIOUS thing happened on the night of August 24. Miss Tia Sika was hosting the evening program on Radio Tuvalu and was about to announce a \$70,000 grant from the Canadian Government to buy a new transmitter for the station. Suddenly, the transmitter failed and Radio Tuvalu was off the air. Assistant technician Matanile Iosefa and Tuvalu's telecommunications chief, Peter McQuarrie, were quickly on the scene, replacing fuses and getting the station back on air. Everyone agreed the grant had come just in time.

— From *Tuvalu Echoes*, Funafuti

A PUBLIC WORKS Department carpenter injured at work in 1984 has to wait for his \$6383 compensation because the Ministry of Employment and Industrial Relations says it is short of money. The ministry has agreed to pay the worker under the workmen's compensation scheme but says payment can be made only after it receives extra money.

— From *The Fiji Times*, Suva

LAES BID TO shake-off its crime-troubled image suffered a setback at the weekend. An innocent club-goer was stoned to death, a pregnant woman was raped and a family robbed in an armed hold-up. But the police came through with flying colours. In each case they were able to make arrests.

— From the *Papua New Guinea Post-Courier*, Port Moresby.

FOUR STUDENTS from Cambridge University in England have just completed two months of study on the island as part of their work towards their degrees. Miss Hilary Chapman and Mr Nigel Haskins have been studying the distribution, behavioural patterns and life cycle of the fruit bat or *peka*. Hilary and Nigel have estimated the total fruit bat population at 4000 to 5000, although according to local experts there are at least 11,000.

— From the *Tohi Tala Hiue, Niue*

THE FIRST CLUB has announced the date for its long awaited "Drag Queen" competition. It is happening this Friday. The theme for the night will be "Vice-Versa". In other words males will dress up as females and vice-versa!

— From the *Cook Island News*, Rarotonga

PRIME MINISTER Ezekiel Alebua has spoken highly of the work being carried out by the Guadalcanal Cultural Centre in finding out about the true history of Guadalcanal people and Solomon Islands as a whole... In his speech to mark the visit to the historical sites, Prime Minister Alebua said: "Our people have been living on assumptions for a very long time, thinking that we originate from apes or belong to the ape family. Unveiling of some of the things that did happen many, many years ago, should prove this is not so, and find out how the people lived and what types of tools they used."

— From the Solomon Islands *The Nius*, Honiara

THE TEENAGE son of a policeman at Saidor in Madang Province has been arrested after a police raid on his father's house uncovered apparently stolen goods.

Madang police commander Joe Drapok said several armed men held up a trade store owner at Saidor and stole K350 cash and trade store goods valued at more than K300.

— From the *Papua New Guinea Post Courier*, Port Moresby

PACIFIC ISLANDS MONTHLY 47



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Book Reviews

THE TOTEM AND THE TRICOLOUR. A Short History of New Caledonia since 1774.
By Martyn Lyons, NSW University Press, 1986.

Reviewed by Stewart Firth

TO READ the upbeat media releases of Gaston Flosse, the French Minister for the South Pacific, is to gain the impression that French rule in New Caledonia has been uniquely beneficent, and that the territory is a model of multi-racial harmony. Then why are there still 5700 French military personnel in New Caledonia?

One picture is painted by Flosse and other agencies of the French public relations machine cranked into gear since *Rainbow Warrior*. Another filters out from the FLNKS and their sympathisers elsewhere in the region.

There were German, Australian, British and Anglo-French equivalents of the indignities imposed on the Kanaks in New Caledonia — special laws designed to keep the Islanders in their place — but it was only in New Caledonia that Melanesian people were restricted to reserves representing about one-tenth of the mainland.

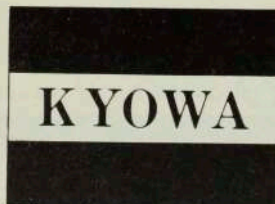
The outnumbering of indigenous Fijians by Indians was an unintended consequence of a policy meant to protect and preserve the Fijian way of life. But in New Caledonia, uniquely in Melanesia, the colonial power encouraged the outnumbering of the Melanesians as a means of thwarting independence.

The Totem and the Tricolour is concise, well-written and contains new information based on research in the Archives Nationales, but unfortunately it is not the short history of New Caledonia we have been waiting for. Marred throughout by errors of fact, spelling mistakes, ignorance of other scholarly work in the area and a lack of familiarity with New Caledonia itself, this book cannot be accepted as authoritative.

To take one example: on the issue of depopulation, the author is emphatic that the number of Kanaks fell from about 42,000 in 1887 to 28,000 in 1901. In fact the so-called census of 1887 was wildly inaccurate and cannot be relied upon. The Kanak population might well have declined as other Pacific island populations did in the late 19th century.

What, then, are we to make of a book about New Caledonia in which the names of President Mitterrand and Eloi Machoro are consistently misspelled, even in the index? And whose author does not seem to know about the work of Kerry Howe, Bronwen Douglas, Alban Bensa and Marie-Joseph Dubois?

The answer can only be read with caution while awaiting something worthy of the subject. □



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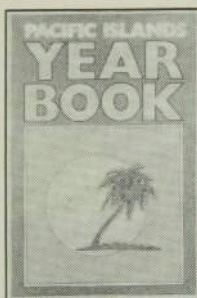
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TRAVEL

Sepik — Adventure in Style

A five-night cruise on the Sepik is still a voyage of discovery, offering insights into traditional life and culture. By CARSON CREAGH.

EGRETS AND herons rise in alarm as the speedboat winds along the jungle-lined barat: then the outboard's clatter dies and the boat swings into the quiet expanse of the Murik Lakes. Our approach to Mendam village is heralded by laughing children, who seem to regard the weekly boatload of tourists from the MV *Melanesian Explorer* as ripe subjects for gentle, if ribald, humour.

Grave smiles greet our contingent of French, German, American and Australian tourists as we stroll through the quiet village, watching men plane a new canoe and women preparing the shellfish that, along with sago, form the villagers' staple foods. Awaiting us is a slight figure in T-shirt and disreputable shorts; a young villager named Andrew Warepa.

Andrew, whose relaxed manner and friendly handshake put even those suffering from culture shock at ease, symbolises the Sepik River in one place, one person and one life. He is a graduate of the Papua New Guinea National Arts School and the designer of the international award-winning South Pacific Lager label... at home in the often rarefied world of corporate design, styling and marketing. Yet he is also a Mendam boy born and bred, and regards this small (and, frankly, less than scenic) village as his real home. This is what really matters: friends, family, the small concerns — and unhesitating support — that village life offers.

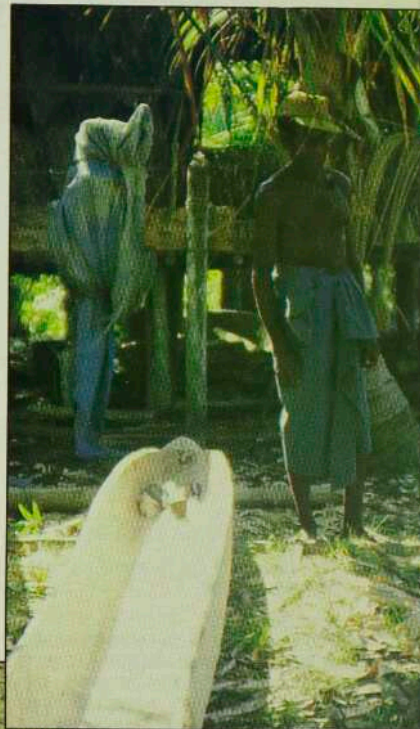
We might think of Andrew's dual lives as conflict, but he would find the suggestion amusing. Like so many of the Sepik's 350,000-odd inhabitants, Andrew moves with complete assurance between the world the tourists have come from, and the world his forebears have known for hundreds of generations. His great-grandparents might have seen Otto Finsch's tattered expedition "discovering" the Sepik in the 1880s; his grandparents would have known of the German missionaries at Marienberg, several hours' steaming upstream. His parents' generation remembers World War II and the influx of thousands of foreigners, fighting for unknown reasons in a land new to both sides.

One hundred and four years of European contact have, obviously, had an effect on the Sepik: the village of Japandai, for example, recalls the killing of Japanese soldiers (thus "Japan die") during World War II. But the *Melanesian Explorer*, a 38-metre former ferry owned and operated by Melanesian Tourist Services, can still be

accurately described as "an expeditionary ship, not a cruise ship".

Its conversion from a ferry — and a Japanese ferry at that: headroom is less than generous, and the bunks offer a back-to-the-womb experience — has meant necessary compromises in cabin sizes and bathrooms. The C Deck cabins would be cosy indeed with two passengers in each, and all but the large deluxe cabin on A Deck share bathrooms. The dining saloon's bench seating can make entry and exit difficult at sea... but the lounge saloon and bar exert a magnetic attraction after a sweaty excursion ashore. The *Explorer* anchors each night while it is on the river, and its excellent library and videotape collection provide a fascinating way of learning about the river and its people.

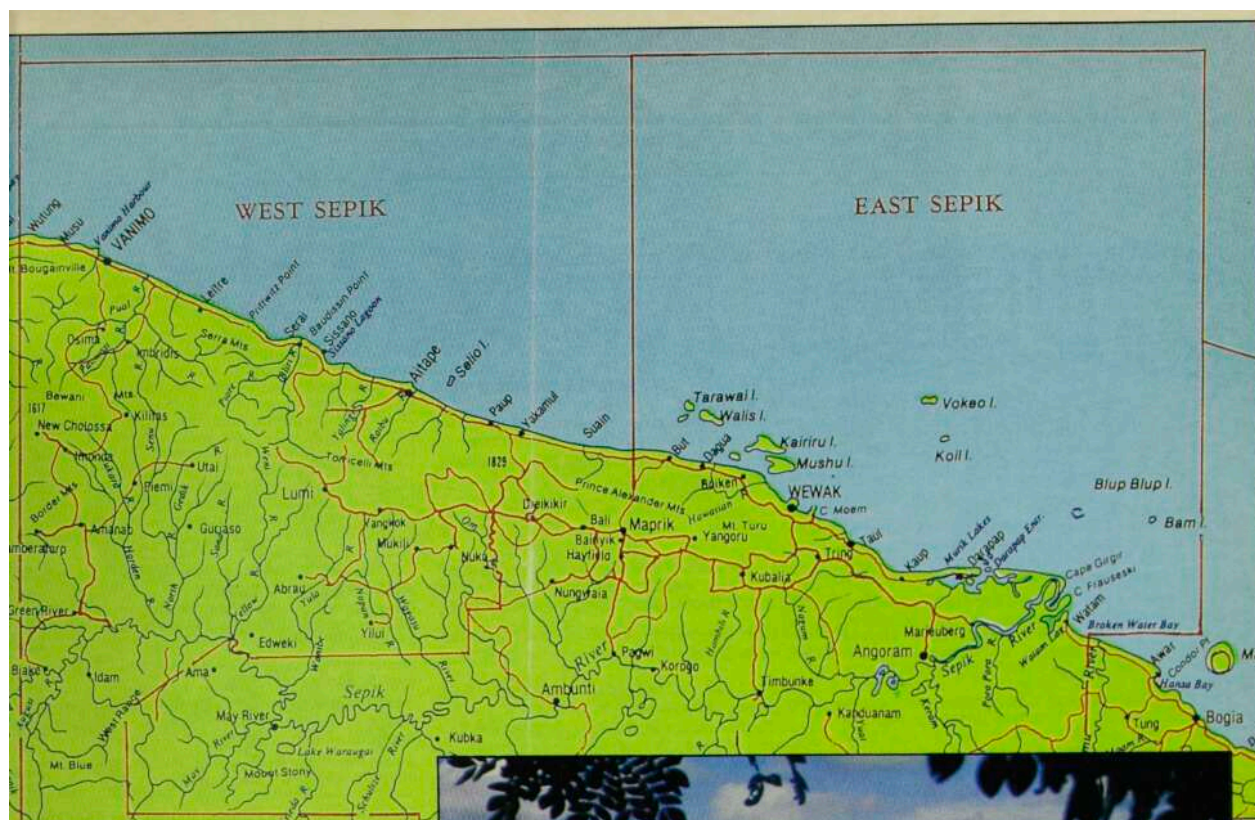
A five-night Sepik tour is in many ways a real expedition: an opportunity to explore a region and culture still in firm and secure contact with its long past. Souvenirs, which represent a handy (and, in many cases, a significant) addition to the area's generally subsistence economy, tend to be original or reproduction artifacts —



Top: A Mendam canoe builder takes a break. Right: Quiet concentration in the market's clamour. Above: Crocodiles are still central to Sepik culture.

not the mass-produced and decidedly tacky objects common in Port Moresby. Traditional carvings, bilums made of pandanus fibre rather than synthetic twine, jewellery and carved canoe prows are displayed in the welcome shade beneath each village's Haus Tambaran — the men's cult house described by one ingenious explorer as a "bachelors' tea house".

There will, however, always be tourists who insist on categorising new experiences in familiar terms, and who regard travel as some kind of vast shopping spree. They seem to set out literally to purchase exotic experiences: they photograph everything and everyone (meanwhile muttering a commentary into their video camera), then purchase an armload of ar-



tifacts — behaviour that amuses the villagers as much as it infuriates their fellow travellers. They seem unaffected by the tangible power of the Sepik.

Tourism for the sake of adventure and enjoyment is a relatively new development on the Sepik. Sporadic individual journeys have been made for many years, but management first appeared in 1975, with the introduction of *Sepik Explorer I* and *Sepik Explorer II* — powered houseboats owned by Peter and Janet Barter, directors of Melanesian Tourist Services and of Madang Resort Hotel. Their commitment to Papua New Guinea (both Australian-born Barters are now PNG citizens) and their love of the river and its people led them to purchase the Japanese-built *Melanesian Explorer* and to commence regular river trips in 1980.

Since then they have extended the *Explorer's* services to the Trobriand, Marshall, Amphlette, D'Entrecasteaux and Siassi Islands, but Janet Barter says they still have a special regard for the Sepik: it is, as the literature says, one of the last great adventures, and thoughts of Joseph Conrad surface unbidden as the *Explorer* steams past jungle-thick banks, palm thatched villages and village people in narrow dugout canoes decorated with carved crocodile prows.

Crocodiles are central to the Sepik's religious and cultural life: not only did the ancestral woman Gun'namak create the river on her long journey with her snake and eel sons — whose father was a crocodile — but this primeval, six-metre-long predator continues to hold the river in its



The 38-metre Melanesian Explorer offers expedition adventure in comfort.

power. Initiation into manhood involves ritual scarification that represents the crocodile's scaly skin: the skull, skin and teeth of the *pukpuk* are used in traditional artifacts, in sorcery and in souvenirs, and its meat is a valuable source of protein.

Crocodile meat is also served as a taste of the Sepik to passengers on the *Melanesian Explorer* — a brief contact that could well be expanded by the operators, perhaps with an overnight stay in a Haus Tambaran and an opportunity to meet the villagers at a more relaxed pace. Further changes are afoot (or afloat) in 1988, when MV *Melanesian Discoverer*, a A\$5 million, 38-metre catamaran that will accommodate 42 passengers in twin or double berth cabins (all with private bathrooms, ISD telephones, colour TV monitors and music systems) comes into service.

The vessel's three passenger decks in-

clude spacious lounges and a full-width dining room, and adventurers will be conveyed from the air-conditioned *Discoverer* by a 40-person aluminium jet boat complete with toilets and galley. The *Discoverer*, whose sister catamaran will be used for tours of the Trobriand Islands, will cruise at 15 knots (the *Explorer* cruises at 12 knots) with a sprint speed of 20 knots, and is due to enter service in August 1988.

Projected costs of Melanesian Tourist Services trips in 1988 are (in \$US) five-night Sepik cruises \$850; five-night lower or upper Sepik cruises \$720; nine-night full Sepik cruises \$1570. Seven-night Trobriand Island cruises will cost \$1260 per person, and combined Trobriands-Sepik cruises \$2130. For further details, contact Peter and Janet Barter, Melanesian Tourist Services, PO Box 707, Madang PNG: phone 82 2766, telex 82707. □

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Details from Carpenters Shipping, PMB Suva, Neptune House, Tofua St, Walu Bay, (312-244); Tlx FJ2199.

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Details from Carpenters Shipping, Harbour Centre Building, 1st Floor, Thomson St, Suva (312-244); Tlx FJ2199, and Burns Philp, Suva (311-777).

JAPAN — MICRONESIA

The NYK Shipping Line operates a monthly cargo service from Japan to Micronesia, calling at Yokohama, Nagoya, Kobe, Guam, Saipan, Truk, Ponape and Majuro, returning via Yokohama, Nagoya and Kobe.

Details from Burns Philp & Co Ltd, 51 Pitt St, Sydney (259-1000).

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Details from Saipan Shipping Co Inc PO Box 8, Saipan, CM 96950 (Tel 9797); Tlx 783619. Japan agents Kyowa Shipping Company Ltd, Guam Agents Maritime Agencies of the Pacific Ltd.

JAPAN — KOREA — PNG PARADISE SERVICE

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Details from Robert Laurie Company (PNG) Pty Ltd, PO Box 1032, Lae/PNG (Tel 42-3642, 42-3811) — Contact: W O Hackenberg, Group Shipping Manager.

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Details from The Bank Line (A'asia) Pty Ltd, 51 Pitt St, Sydney (27-2041); Tlx AA24063; Columbus Line, Lae (423466); Tlx NE44171; Tradco Shipping Ltd, Honiara (22588); Tlx 66313.

NEW ZEALAND — AUSTRALIA — PNG — SOLOMON ISLANDS

Pacific Forum Line operates a containerised and ro-ro service from Lyttelton, Napier and Auckland to Brisbane, Port Moresby, Lae, Honiara.

Details from Pacific Forum Line, Auckland, Christchurch, Union Bulkships, Brisbane, Steamships Shipping, Port Moresby and Lae; Sullivan's Ltd, Honiara.

NEW ZEALAND — COOK ISLANDS — TAHITI

New Zealand Line operates cargo services based on pallets and similar units from Auckland to Cook Islands and Tahiti.

Details from the NZ Shipping Agencies International Ltd, PO Box 3420, Auckland 39 2650, Waterfront Commission, PO Box 61, Rarotonga, Cook Islands; Shipping Office, Govt of Niue, PO Box 107, Niue Island; Compagnie Maritime Polynesienne, PO Box 36, Papeete, Tahiti.

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Details from Reef Shipping Agencies; PO Box 3382, Auckland, NZ (77-1221-3); Tlx 60633; MV Fijian Shipping Agencies Ltd, Private Bag, Suva, Fiji (31-1056).

Pacific Line with one ship operates two weekly ro-ro cargo service New Zealand, Lautoka, Suva. No passengers.

Details from Sofrana Unilines, 18 Customs St, Auckland (773-279) PO Box 3614, Tlx NZ2313, Carpenters Shipping, Neptune House, Tofua St, Walu Bay, Suva (25141); Tlx FJ2199.

NEW ZEALAND — FIJI — NORTH AMERICA (WC)

Blue Star Line Ltd Pacific Coast container services. Only direct service to and from New Zealand. Blue Star vessels call at Suva and Honolulu on NZ-US West Coast voyages.

Details from Blueport ACT (NZ) Ltd, PO Box 192, Wellington (739-029); Burns Philp (SS) Co. Ltd, GPO Box 355, Suva, Fiji (311-777); Tlx FJ2168 Burship.

NEW ZEALAND — FIJI — SAMOAS — TONGA

Pacific Forum Line operates a containerised and ro-ro 21 day service from Auckland to Lautoka, Suva, Apia, Pago Pago and Nuku'alofa.

Details from Pacific Forum Line, Auckland, Apia, Suva, Union Maritime, Lautoka, Suva and Nuku'alofa; Polynesian Shipping, Pago Pago.

NEW ZEALAND — NEW CALEDONIA — VANUATU — PNG — SOLOMONS

Sofrana Unilines with three ships operates to Vila and Santo, to Honiara and Papua New Guinea and to Norfolk Island and Noumea (No passengers).

Details from Sofrana Unilines, 18 Customs St, Auckland (773-279), PO Box 3614; Tlx NZ2313

NEW ZEALAND — TAHITI

Compagnie Tahitienne Maritime SA (as CTM-Tahiti Line) operates one ship, MV Bounty III, monthly Papeete — New Zealand. (No passengers).

Details from Sofrana Unilines, PO Box 3614, 18 Customs St, Auckland, Tlx NZ2313. CTM-Tahiti Line, PO Box 9012, Papeete (39042); Tlx Tahiti 322 FP Tahiti.

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Additional ports on enquiry.



Please contact our regional offices for further information:

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Sydney N.S.W. 2000
Phone: 27 2041 Telex: 24063

Columbus Line Reederei GmbH
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Lae/Papua New Guinea
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NZ — COOK ISLANDS — AITUTAKI — NIUE

Cook Islands Line services Auckland, Aitutaki, Niue monthly carrying general and freezer cargoes.

Details from McKay Shipping Ltd, Downtown House, 21 Queen Street, Auckland, PO Box 3, Auckland. Phone: 39 0229. Cables MACSHIP, Tlx: NZ2554; Fax: 32-931.

TAHITI — NEW CALEDONIA — VANUATU — SOLOMON ISLANDS — NEW ZEALAND — PNG — SINGAPORE — EUROPE

Polish Ocean Lines operate in semi-container type vessels to the following ports: from Papeete, Noumea, Santo, Vila, Yandina, Honiara, Auckland, Rabaul, Lae, Singapore, Port Kielang, Penang then to Mediterranean ports and Europe via the Suez Canal (Other New Zealand ports subject to inducement).

Details from Universal Shipping Agencies Ltd, 6th Floor, 38 Fort St, Auckland 1, New Zealand (390931, 390727, 32104), Tlx 21517.

EUROPE — TAHITI — NEW CALEDONIA

Compagnie Generale Maritime operates services from Europe and Mediterranean ports to Papeete and Noumea using three ro-ro and multi-purpose vessels thus ensuring a bi-monthly sailing to and from.

Details Compagnie Generale Maritime, 12 Castlereagh St, Sydney (231-3700).

EUROPE — TAHITI — NEW CALEDONIA — NEW ZEALAND — VANUATU — SOLOMONS — PNG — EUROPE

Polish Ocean Lines offers regular monthly sailings for containerised and break bulk cargo, also conventional reefer space and reefer containers from Hamburg, Rotterdam, Dunkirk, Rouen to Papeete, Noumea, Auckland, Santo, Honiara, Rabaul, Lae, Singapore, returning to Europe via Suez. Other ports in the South Pacific can be served directly with inducement or otherwise via transshipment.

Details from Sotama, BP 9170, Papeete, Tel. 427805, Tlx 373, Tlx Sotama 373FP; SATO: BP, C2 Noumea Cedex Tel. 272094, Tlx 163NM; Universal Shipping Agencies, PO Box 2282 Auckland, Tel. 30930 Tlx 21517; Vanua Navigation, PO Box 44, Vila, Tel. 2027, Tlx 1033; Melan Chine Shipping Co., PO Box 71, Honiara, Tel. 21678, Tlx 66335; Steamships Trading Co Ltd, PO Box 85, Lae, Tel. 424666, Tlx 42423; Union Steamship Co. of NZ Ltd, PO Box 50, Apia, Tel. 21781, Tlx 225; Warner Pacific Line, PO Box 93, Nuku'alofa, Tel. 22088, Tlx 66219; Fiji Agents — TBA.

EUROPE — TAHITI — W. SAMOA — FIJI — NEW CALEDONIA

Nedlloyd offers regular cargo services from Continental ports to Papeete, Apia, Fiji and New Caledonia.

Details Nedlloyd (Aust.) Pty Ltd, Spring St, Sydney (27-3801); Carpenters Shipping, 1st Floor, Harbour Centre Bldg, 100 Thomson St, Suva (312-244) Tlx 2199FJ and Vefari St, Lautoka (63988), Tlx 5215FJ.

UK — N. CONTINENT — W. SAMOA — TONGA — FIJI

The Bank Line & Columbus Line operate a regular joint cargo service from Hull, Hamburg, Bremen, Antwerp, Rotterdam and Le Havre to Apia, Nuku'alofa, Suva and Lautoka.

Details from The Bank Line (A'asia) Pty Ltd, 51 Pitt St, Sydney (27-2041), Tlx AA 24063, Columbus Line, Lae (423-466), Tlx NE 44111, or Lines' local agents.

UK — N. CONTINENT — PNG — SOLOMONS

The Bank Line & Columbus Line operate a regular joint cargo service from Hull, Hamburg, Bremen, Antwerp, Rotterdam and Le Havre to Port Moresby, Lae, Madang, Kimbe, Rabaul, Kieta and Honiara and on inducement to Yandina.

Details from The Bank Line (A'asia) Pty Ltd, 51 Pitt St, Sydney (27-2041), Tlx AA 24063, Columbus Line, Lae (42-3466), Tlx NE 44171, or Lines' local agents.

UK/N. CONTINENT — TAHITI — NEW CALEDONIA — VANUATU

The Bank Line and Columbus Line operate a regular joint cargo service from Hull, Hamburg, Bremen, Antwerp, Rotterdam and Le Havre to Papeete, Noumea, Port-Vila and Santo.

Details from The Bank Line (A'asia) Pty Ltd, 51 Pitt St, Sydney (27-2041), Tlx AA 24063, Columbus Line, Lae (42-3466), Tlx NE 44171; Ets A.M. Fare UTE, Papeete; Ets, Ballande, Noumea and other local agents.

US — HAWAII — MICRONESIA — PNG — PHILIPPINES

PM&O Lines operates two fully self-contained container vessels on a sailing frequency of every 30 days between the San Francisco Bay Area, Los Angeles, Honolulu and Majuro, Ebeye, Kosrae, Ponape, Truk, Saipan, Yap, Palau, Cebu, Davao, Lae, Kieta and Rabaul.

Details from PM&O Lines, 353 Sacramento St, San Francisco, California 94111, USA (415) 421-5400, Tlx 278016 PMO UR, owner's Representative PO Box 803, Saipan, NMI 96950, Ph. 234-6819, Tlx 783-605 CMCAA.

US — NOUMEA — FIJI

PAD Line operates a 3-weekly ro-ro service from west coast USA and Canada to Noumea, Suva and Lautoka.

Details from Sofrana Unilines BP 1602, Noumea (27-51-91), Tlx NM048; Carpenters Shipping, Neptune House, Tofua St, Walu Bay, Suva (25141), Tlx FJ2199; Trans-Austral Shipping Pty Ltd, PO Box R232, Royal Exchange, 2000 (231-8411), Tlx AA21204.

A New Ship Hits Town

THE *M/V Urte* is arrived at Honolulu on November 1, 1987 to commence a liner container service exclusively linking Hawaii with American and Western Samoa, Tonga and the Cook Islands. Hawaii-Pacific Lines Ltd, with Honolulu management, will operate the inter-island service providing island merchants regularly scheduled access to new markets and products. Service frequency will be monthly between Honolulu and, in rotation, the ports of: Pago Pago, American Samoa, Apia, Western Samoa, Nuku'alofa, Tonga and Avatiu Harbor, Rarotonga, the Cook Islands.

The line will offer the Cook Islands the first direct link with the US (ie Hawaii) and also be the first ever container service to the Cook Islands. It will also be the only scheduled service between a US port and Tonga. Transit times between Honolulu and the four ports will vary from nine to 15 days.

The *Urte* is a 1985-built self-sustaining 100 metre German container vessel with a capacity of 170 20ft containers. In addition to offering full container service in 20ft dry vans, HPL will offer refrigerated containers and accept Less Than Container Load ("LCL") cargoes at Pier I, Honolulu, where Honolulu cargo operation will be conducted.

McCabe, Hamilton & Renny Co., Ltd has been appointed stevedore for loading and discharging at Honolulu. □

POLISH OCEAN LINES

General Management, 10 Lutego 24,81-364 GDYNIA, POLAND, Phone: 20-19-01, Cables: POLOCEAN Telex: 054-231



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TAHITI SOTAMA Telex 296 FP "COUTIMEX". NEW CALEDONIA SATO Telex 163 NM "SATO". AUCKLAND UNIVERSAL SHIPPING AGENCIES LTD., Telex 21517 NZ "UNISHIP". SOLOMONS MELAN CHINE SHIPPING CO., LTD Telex 66335 HO "SYMECO". PNG STEAMSHIPS TRADING CO., LTD Telex 42423 NE "STEAM".

OUT OF THE PAST

Fiji's Age Of Innocence

Sir Leonard Usher recalls the free and easy way of life in Fiji 57 years ago.

IN 1930, FIJI'S main lines of communication, both internal and external, lay in the sea.

The *Aorangi* and *Niagara* called once a month at Suva on both the north-bound and south-bound voyages between Sydney and Vancouver via Auckland and Honolulu. Three Matson ships, *Sierra*, *Ventura* and *Sonoma*, arrived at three-weekly intervals as they travelled between Sydney and San Francisco. There was also a three-weekly AUSN service between Sydney and Suva, and Suva was a regular port of call for the Union Steam Ship Company's ship *Tofua* on her monthly banana trade voyages from Auckland to Fiji, Tonga and Samoa.

The net result was that there was a gap of about 19 days between overseas mails.

The *Fiji Times* published the passenger lists of all ships, and there was plenty of gossip material in the names of new arrivals, and why they had come, and in the names of people who were going away or

\$F1.25 (\$2 at the Grand Pacific Hotel).

The tariff at boarding houses was 80 cents a day. Permanent residents could live at a hotel for \$18 a month (yes, a month) and at a boarding house for less than \$10. To this you added \$1.50 a month for laundry (collected daily by horse-drawn vehicle or by a man carrying on his back a large sheet-wrapped bundle).

All costs, of course, are relative. The wage of an unskilled labourer was then between 30 cents and 40 cents a day in Suva and from 25 to 30 cents elsewhere. Carpenters, mechanics and boatbuilders paid from 70 cents to \$1.20 a day but an artisan with special skills could earn up to \$2. In the clerical division of the civil service salaries started at \$110 a year, with annual increments of \$15.

But then it was possible at eating houses or "lodges" to get a meal for five cents or less. The price of "as much as you can eat" curry and roti was 10 cents. A singlet cost three cents and a sulu 10 cents. Tailors

month unfurnished. Mutton was 11 cents a pound, gravy beef three cents and beef steak seven cents.

Male office and shop workers wore ties and white long-sleeved shirts. Few married residents, even without dependants, paid income tax because few of them had incomes of more than \$1000, which was their tax-free limit.

The income tax rate was five per cent on the first \$10,000 of taxable income. A surcharge of a further five per cent was levied on each additional \$10,000 until the maximum tax of 30 per cent was reached at an income of \$50,000. Company tax was five per cent.

The credit system extended to chits for drinks in hotel bars. Non-European drinkers in those bars were confined to permit-holders.

A new motor car cost \$300, but the total number of motor vehicles in the country was only a little more than 1000.

The town of Suva was 2.5 square km in area. There was no footpath beyond the Melbourne Hotel (now site of Ratu Sukuna House). The tide washed over mudflats up to the back of the wooden building (with horse-trough in front) that housed the Bank of NSW (now Westpac) and up to the roadway opposite the Club Hotel, where the National Bank of Fiji now stands.

The estimated population of Fiji was 176,795, with Fijians numbering 91,028 and Indians 70,996.

There was no local broadcasting station but the affluent had radio sets with which at night they heard broadcasts from Australia, NZ and the US.

The Craven A brand, sold in air-tight tins of 50, had an apparently unshakeable hold on the preferences of cigarette users, but there was a big demand for locally grown tobacco, rolled into a home-made cigar or wrapped in dried sugar cane leaf or part of a page of the *Fiji Times*.

The *Fiji Times*, which in 1929 was 60 years old, also published a *Year Book*. In the 1929 edition there was an article by John Herrick, head of the forerunner of the present Fiji Visitors Bureau. It assured prospective visitors that "In Fiji it is possible to realise something of the life of man in his more primitive state . . . The Gracious Sun smiles benignly on these blessed isles, creating a riot of colour, scenting the air with fragrance, transforming all into a scene of indescribable beauty." □

This article is from Len Usher's collection of writings, broadcasts and speeches, Mainly About Fiji, marketed by Desai Bookshops, GPO Box 160, Suva.



Fiji 1930, with bicycles and japies in now-bustling Victoria Parade, Suva.

returning from leave or from holiday.

Most interior travel was also by water, by bamboo raft or canoe, cutter, launch or small motor vessel. Launches plied regularly between Suva and Navua (not yet connected by road) and between Suva and Nausori, passing on the way barges carrying sugar from the Nausori mill.

There was hopeful talk of expanding the colony's tourist trade. At Suva hotels, the charge per day for bed, breakfast, lunch, dinner and morning and afternoon tea was

would make a white drill suit for \$2.20 and a suit of Palm Beach or poplin material for between \$6 and \$8. Walter Horne & Co, advertised women's "light washing frocks" from \$2.

Produce sellers went from house to house selling tapioca for five cents a basket and you could buy a whole bunch of bananas for 20 cents. A 10 cents bundle of fish was a big one. You could get a bottle of whisky for \$1. House rents were \$18 to \$20 a month furnished and \$10 to \$14 a



The advertisement features a large, bold, orange 'SURROUND' text across the top, with 'POWERMASTER' in a smaller orange font below it. A yellow circular badge with a red lightning bolt and the text '400W PMPO' is positioned on the right. The central image shows the AIWA V-770A stereo system components: a large central unit with multiple decks and a tuner, two large black speakers with circular drivers, and two smaller satellite speakers. A black remote control with many buttons is shown in the foreground, angled towards the right. The background is a scenic photograph of a wide waterfall cascading over a rocky ledge into a pool of water, surrounded by lush greenery under a blue sky with light clouds.

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Awesome music power that surrounds you—get it with AIWA's impressive V-770A stereo system. The powerful amplifier section delivers an amazing **400 watts** (PMPO) of power. Along with the built-in **Surround Sound** circuitry and the supplied pair of surround speakers, it fills every corner of your room with rich, exciting music. Plus, advanced features and functions include a **5-band graphic equalizer** and spectrum analyzer, a quartz synthesizer **4-band tuner** with 20 memory presets (10 FM + 10 AM/SW1/SW2), Surround Sound control, **Dolby B double cassette deck**, fully automatic turntable, big 2-way bass reflex speakers, and **wireless remote control** most system functions to assure you complete music pleasure.

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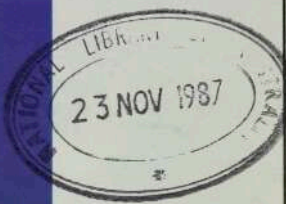
Not much has changed in a hundred years.

Snakes and crocodiles still rule this empty land and fools still try to cross it. Every year in August, brave men and women tackle a course of swamps, deserts and rain forest for the glory of winning the Australian Wynn's Safari, 6,500km of the toughest rally country to be found anywhere. This year, for the third time in a row, it was the Mitsubishi Pajero that roared in, first and second to the cheers of the crowd waiting at the finish line in Darwin.

In the incredibly demanding "Marathon Class", that for unmodified 4WDs (essentially the same vehicles that stock showrooms), Mitsubishi's superior durability won out, also for the third year in a row. In fact, seven of the top ten positions were filled by Mitsubishi Pajeros.

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