Vol. 59, No. 3 (Mar. 1, 1988)

PACIFIC ISLANDS

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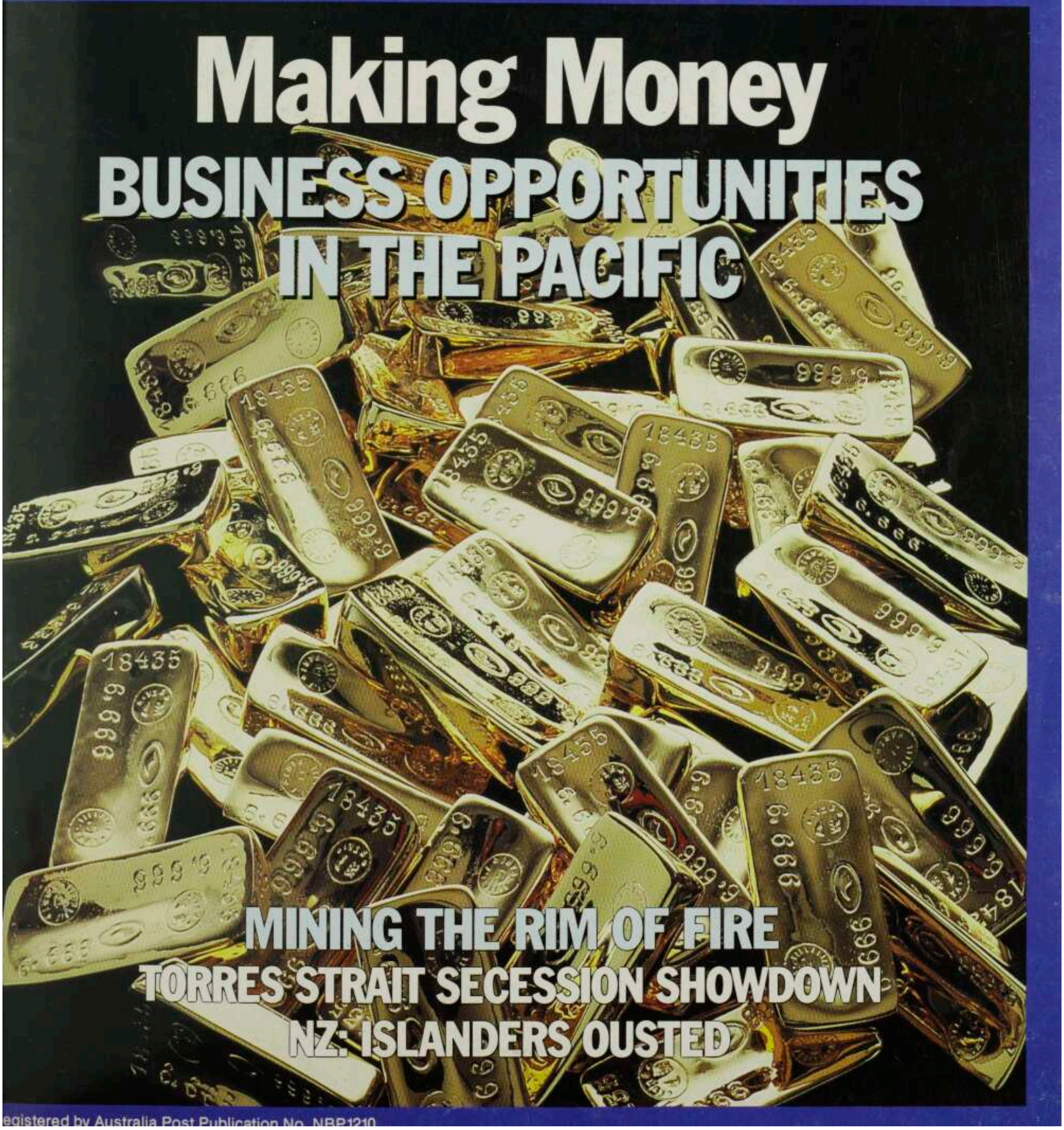

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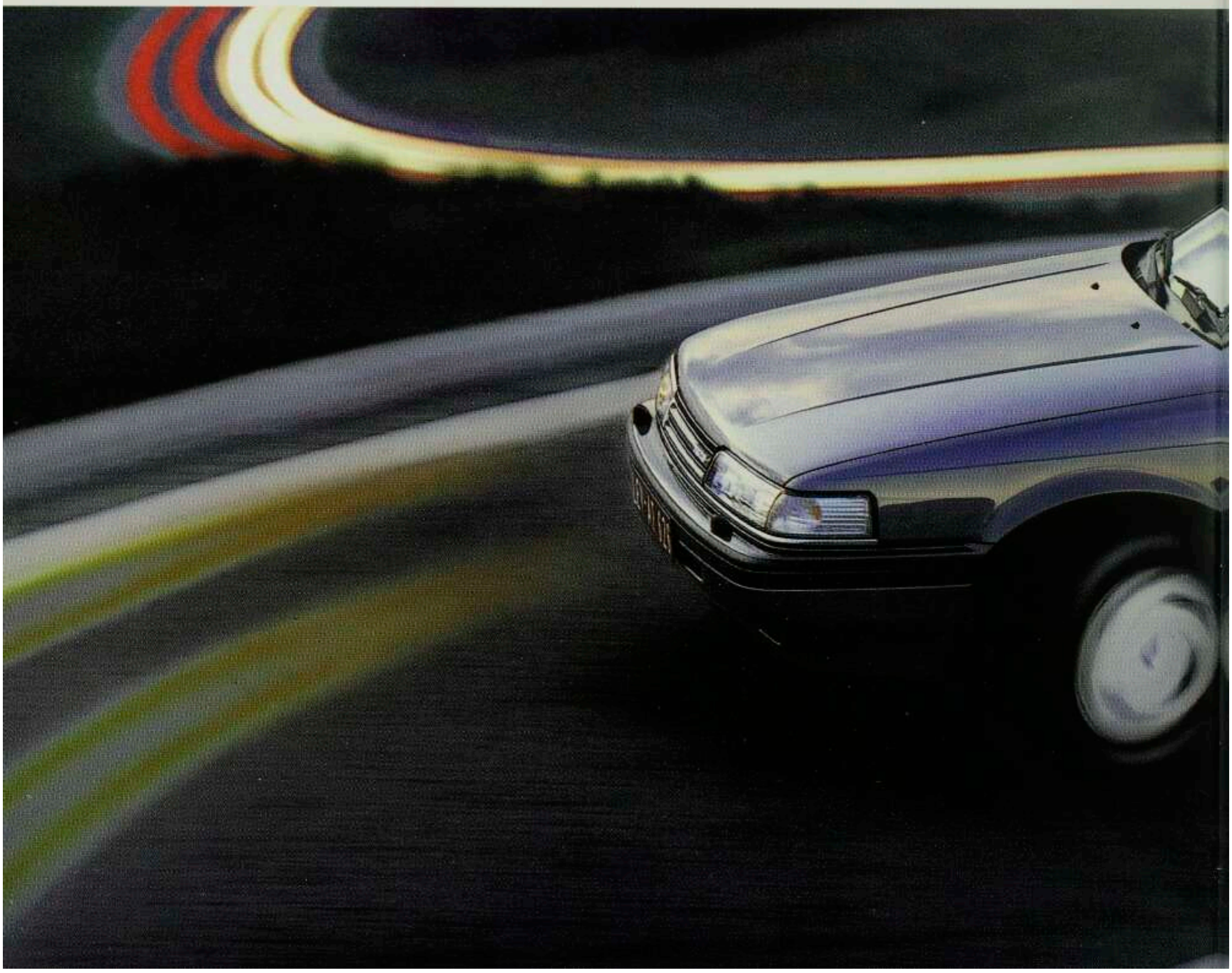

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PACIFIC ISLANDS
M O N T H L Y

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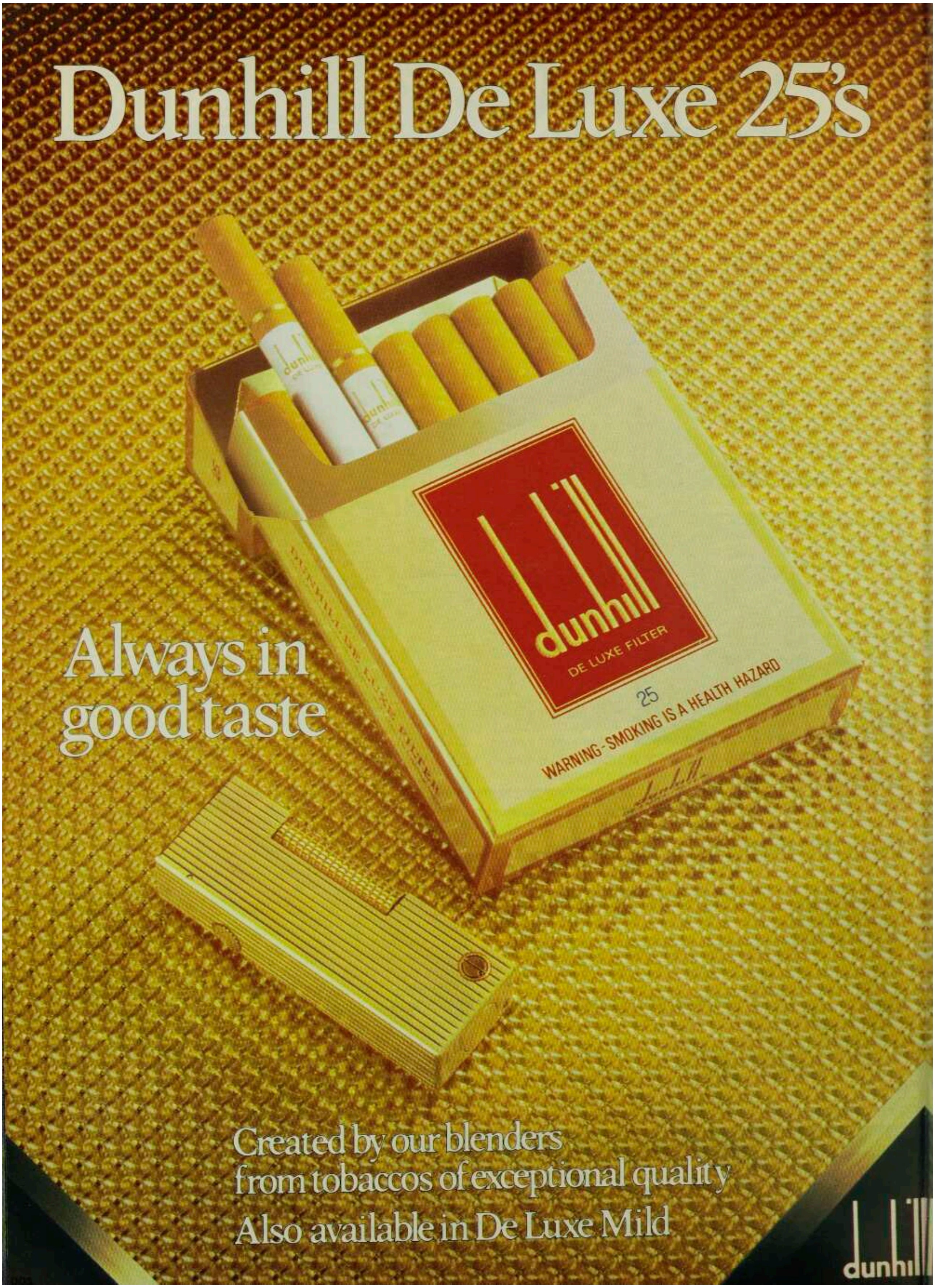
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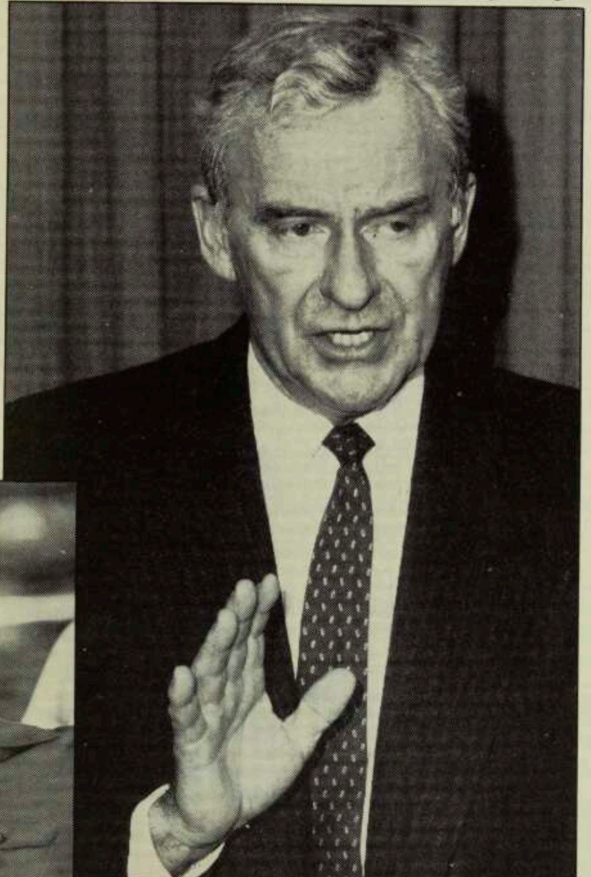
Fiji Returns To The Fold

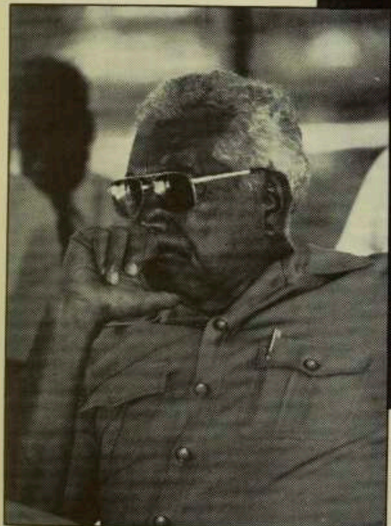
Whatever the rights or wrongs of resuming aid to Fiji, assistance from neighbours is the nation's best hope of rehabilitation

THE resumption of Australian and New Zealand aid to Fiji and of US recognition has been criticised both by former Prime Minister Timoci Bavadra, and in some small states of the South Pacific. The move constitutes, they say, a de facto recognition of the Government and implicit approval of the coups of last year.

Papua New Guinea PM Paias Wingti, on the other hand, has hailed the resumption of aid as a counter to Fiji's threatened "isolation" in a region where mutual dependence extends beyond traditional ties to the 20th century world of trade, diplomacy and — most important of all — to defence.

Both positions are understandable and contain elements of truth neither proponents or opponents have acknowledged. The Republic of Fiji *has* in some ways been recognised by the Australian Government's decision to deal diplomatically with states rather than governments; a deliberate and pragmatic move into *Realpolitik* and global strategy that is not so much "supine", as former South Australian Premier and vocal Rabuka critic Don Dunstan has claimed, as cognisant of Fiji's vital role in South Pacific defence and of its central position in a region where too many small states have become aid dependencies.





Left: Ratu Mara welcomes aid. Above: Australian Foreign Minister Hayden — took a practical line.

In fact, Fiji's new Government (in many ways simply its Alliance Government in new clothes) has played the game as well as the larger nations have — and more cold-bloodedly than its detractors would have believed possible. It has flirted with powers none of those larger nations would like to see gaining influence in the region, such as France and Indonesia, offering them concessions in return for generous aid and hardware before taking only what it wanted and turning back to its older, more familiar partners such as Australia and New Zealand, which in the past few weeks have re-established economic and military ties.

The real pawns in this game are not abstractions of power or technical assistance, but the people of Fiji. Trade relations, aid packages and defence agreements translate as employment, health care and badly needed expertise to the Melanesian, Polynesian, European and Indian citizens of a nation hit hard by the events of the past year. Unemployment is crippling communities where no provisions exist for assisting those out of work; the "brain drain" has left ordinary Fijians as well as the members of the ethnic and military élites without medical, emergency and technical services. All that is set to change, and it seems everyone will be a winner.

Chinese doctors are being attracted by generous employment provisions, and Chinese energy experts are coming to expand Fiji's rural power grid with solar generators; Australian medical aid will flow to public hospitals and community health care facilities; Australian, New Zealand and French mining personnel will unlock the promise of mineral riches that will bring Fiji not only desperately needed foreign exchange, but jobs in a variety of industries.

Australia will see its former position regained in great part, with "fine print" guidelines that are designed to route aid to those most in need. New Zealand's occupation of ▶

the high moral ground in the South Pacific will be strengthened by the stringent conditions it has promised to place on its dealings with Fiji.

France and Indonesia will profit by their toeholds in the Pacific, allowing both nations to present themselves as disinterested benefactors rather than the bogeymen so often used to scare the wayward children of the region.

But, most importantly, the people of Fiji will be given the assistance they need to begin rebuilding; to cast off the fatuities of "Fiji for the Fijians" in search of maturity and an awareness of the responsibility it carries — as an example to other Pacific nations and to the world.

Desperate Straits

Islanders demand their birthright

THERE IS an element of *The Mouse That Roared* in the bid by Torres Strait islanders to secede from Australia. But Australian Prime Minister Mr Hawke and his Minister for Aboriginal Affairs Mr Hand would be unwise to treat the secessionists as characters in a comedy. The plight that confronts the islanders is no laughing matter.

For years the Torres Strait islands, which stretch from Australia's Cape York to Papua New Guinea and are home to 25,000 islanders, have been exploited by foreign entrepreneurs as rapacious in their way as the Vandals who sacked Rome. Island traditions have been sent reeling as the outsiders, greedy for the wealth that comes from the exploitation of prawns and pearls, rush headlong to riches then decamp, leaving behind broken promises, ruptured lives and a shattered culture.

In a sad indictment of Australia, the secessionist leaders at present see little or no hope of things changing for the better so long as they remain annexed to the island continent. They seek $A5 billion compensation for "years of neglect" as well as the right to chart their own future.

Australia simply cannot afford to lose the islands. They sit astride vast oil and gas reserves and on the Pacific Ocean-Indian Ocean exchange current with its rich power-generating potential. They also boast some of the Pacific's most bountiful fishing, pearling and prawning fields. It is obvious, too, that the Torres Strait is an area of great strategic value to Australia.

For Australia to lose all this would be a disaster. For Australia to lose all this to another power would be a catastrophe.

The islanders, too, would lose much if they were to cut ties with their "mother" nation. Australia invests $A20 million a year in the islands and pays child and welfare benefits, so vital when a great majority of islanders are unemployed.

Neither Australia nor the islands can let this contretemps escalate. A resolution must be reached whereby the Torres Strait Islands and the islanders remain part of Australia, but their national identity and culture can be reborn and preserved and their interests safeguarded. If this means granting the islands greater autonomy, as well it might, it is a concession that would be a small price to pay for stability. □

Ratu Sir Kamisese Mara

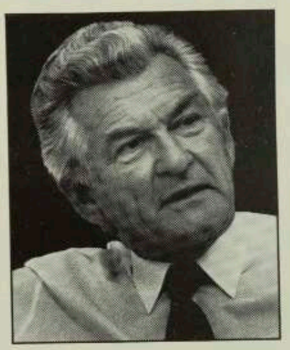
IN THE October 1987 issue of *Pacific Islands Monthly* we published an article titled "The Fiji Coup: Was America to Blame?" written by Joann Wypijewski and originally published in the *The Nation*.

It has been drawn to the attention of *Pacific Islands Monthly* by Ratu Sir Kamisese Mara that the article is capable of bearing a number of imputations that are defamatory of him, including imputations that he was involved in the instigation of the coup and knew and approved of the coup. *Pacific Islands Monthly* accepts that any such imputations are untrue and withdraws the same.

In addition, it has been drawn to our attention that the article is capable of bearing an imputation that Ratu Sir Kamisese Mara had travelled to Hawaii for the purpose of seeking arms for the military régime. *Pacific Islands Monthly* accepts that any such imputation is untrue and withdraws the same.

Pacific Islands Monthly apologises to Ratu Sir Kamisese Mara for any hurt or embarrassment caused to him by publication of imputations suggesting he had at any time acted otherwise than democratically. □

Quoted



Mr Hawke

"No."

Australian Prime Minister Bob Hawke's response to calls by Torres Strait islanders for independence from Australia.

"It seems that whenever the Government wants to change a decree to suit its convenience, it does so in private."

Fiji Taukei spokesman Ratu Inoke Kubuabola, criticising the Fijian Government's system of rule by decree.

"The move will be seen by the majority of Fijians as serving the self-interest of the Australian Labor Government, at the expense of labour principles and values in the region."

Fiji's deposed Prime Minister Dr Bavadra protesting in a letter to the acting secretary of the Australian Labor Party over the resumption of Australian aid to Fiji.

"I am confident that I have a good ministry and a clear majority in Parliament and must now concentrate on getting Government policies in place instead of internal bickering."

Papua New Guinea Prime Minister Paias Wingti after telling sacked politicians Mr Ted Diro and Mr Ururu Matiabe that there was no place for them in his ministry.

"A dead issue."

PNG Defence Minister Mr Pokasui on the gifts that Indonesia's retiring armed forces chief Mr Benny Murdani gave to leading figures in Papua New Guinea.

Letters

STRANGE BEDFELLOWS

IT IS MY duty to express concern about the visit to Fiji by the French Frigate *Balny* between January 24 and 28. The visit reflects çloser links between Suva and Paris.

While Fiji's trade links with the French via the European Economic Community are perhaps unavoidable, the post-May 1987 trend toward closer "friendly" ties with Paris are not essential and are likely to sour Fiji's relations with her Melanesian neighbours. On a broader level, connections with France (which systematically denies the right of self-determination to her colonies, including New Caledonia and French Polynesia) does not contribute to Fiji's international image.

It is well known that the French have tested more than 80 nuclear bombs on Mururoa. These tests continue despite protests by Pacific nations and despite the call by the International Court of Justice at the Hague for the tests to be discontinued. The Pacific Council of Churches, the World Council of Churches and the Pacific Trade Union Council have all called for an end to these tests. Protests by Tahitians, who are increasingly aware of the danger of the tests, are suppressed.

In the early 1970s Fiji was involved with Australia and New Zealand in sponsoring a United Nations Resolution against the tests. More than a decade later, after having resorted to terrorism in sinking the Greenpeace flagship *Rainbow Warrior* in Auckland Harbour, the French carry on their tests. They also send a warship to Fiji on a "goodwill" visit!

On the issue of self-determination for colonised people, the French are being stubborn. Calls for independence in New Caledonia and Tahiti have been forcefully resisted by the French. In New Caledonia, where the French have alienated 90 per cent of the land, Kanaks have been imprisoned, beaten up, shot at — even killed for seeking national sovereignty.

It is unbecoming for Fiji, where the protection of indigenous rights was the pretext for the overthrow of the constitutional and democratic process, to fraternise with a power that has for so long oppressed the native peoples of neighbouring territories. Under normal democratic circumstances, supporters of a nuclear-free and independent Pacific would have organised peaceful protests against the visit by the French frigate to Suva. These would have shown our regional neighbours and the world that not all the people of Fiji want closer ties with those who deny the wishes of a majority of Pacific peoples to live in freedom, with justice and peace.

Vijay Naidu
Fiji Anti-Nuclear Group
Suva, Fiji

MANUSCRIPTS BUREAU SEEKS HELP

THE Pacific Manuscripts Bureau was established in 1968 with the aim of locating unpublished or "semi-published" material of current or potential value to research workers involved in Pacific studies — whether historical, literary or scientific.

The Bureau welcomes documents of all kinds and on all subjects: diaries, notebooks, genealogies and family records; unpublished novels, stories and plays; songs, music and drawings; newspapers and letters; records of plantation, mining, trading, business and shipping activities and any material that falls within the definition of "unpublished" material. Even a brief personal letter could help future generations understand how people lived and thought in the islands.

As part of the Bureau's activities, it has published an index covering the period 1930 to 1945 — at present out of print, but possibly available in the future on microfilm — and one from 1945 to 1955. The 1945-55 index is available for $A25 plus postage from:
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I am writing to ask your readers not only to support the Pacific Manuscripts Bureau through the loan of manuscript material (which will be copied at no cost to its owners and returned with a microcopy, if requested), but to contact the Bureau at the address above to express their interest-in-principle in our continuing to publish indexes of our collections. This would be of great help in assessing whether the interest level is high enough to repay the large financial burden of their preparation and publication.

The Pacific Manuscript Bureau would be happy to send a brochure describing its aims and activities to any readers of *Pacific Islands Monthly*, and invites them to contact the Bureau if they have material they feel would be of interest to us.

Bess Flores
Executive Director
Pacific Manuscripts Bureau
Australian National University
Canberra, Australia

AUSTRALIA'S ROLE

AUSTRALIA'S shadow Foreign Minister John Spender is right. We should be paying as much, if not more, attention to events in our own backyard instead of poking our nose into the affairs of South Africa. Instability in PNG, poverty in the Torres Strait, Fiji still a powderkeg, and what about the Aboriginals? Let's get our priorities in order, Mr Hayden.

Patricia Pawes
Shrimpton
Western Australia

PACIFIC ISLANDS
M O N T H L Y

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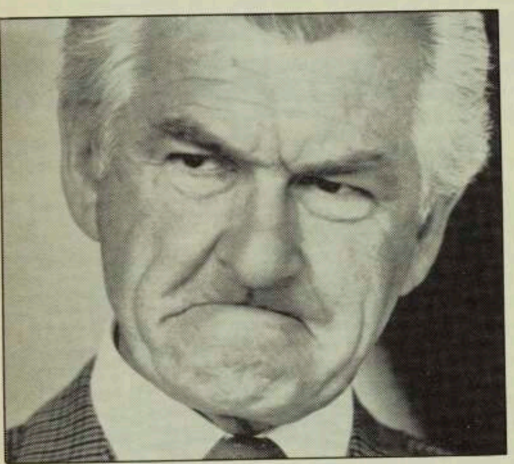
Torres Strait On The Brink



Australian PM Bob Hawke refused the islanders' bid for independence. Now the scene seems set for a secession showdown between the islands and their "mother" country. By Larry Writer

IT WAS ONE birthday present Australia could have done without. As the nation was letting its hair down in preparation for the Bicentenary celebrations on January 26, its leaders were rocked by a bid by Torres Strait Islanders to secede.

A group of 400 elders representing communities on 15 islands notified the Australian Government of its non-negotiable bid for independence. The drastic move, they said, was necessary to maintain the identity of the islanders. Saying they were ignored and neglected and that their islands were being destroyed by outside economic interests, the group also demanded multi-billion dollar compensation from Australia.

The islands, annexed by Australia in 1879, stretch from Cape York to Papua New Guinea and have a population of about 25,000, mostly of Melanesian origin. Australia is well aware of the Torres Strait Islands' considerable strategic and economic potential. They lie above gas and oil basins, as well as the Indian Ocean-Pacific Ocean exchange current with its tremendous power generation potential.

The chairman of the Torres Strait Islands Co-Operative Council, Mr George Mye, said secession was the only alternative after "50 years of neglect by Australian governments and being ignored by the present Prime Minister, Mr Hawke."

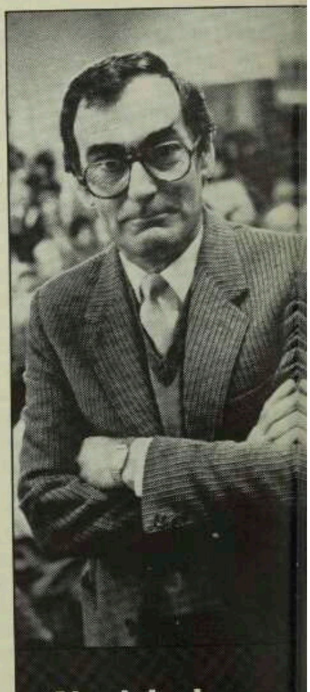
Mr Hawke in turn accused the islanders of taking blatant advantage of Australia's bicentennial celebrations to launch their bid for independence, and added that the bid had no chance of success. He then sent the Minister for Aboriginal Affairs, Mr Gerry Hand, to the islands to hear the islanders' grievances.

The islanders interpreted this as a personal slight and professed "anger and disappointment" that the PM would not visit the islands himself. Said acting chairman of the Torres Strait Islanders' Council, Mr Getanto Lui Jnr, "We feel it is a very irresponsible attitude by the Prime Minister because he did not come up with an alternative [to our demands]. By rejecting our demands outright, we feel he is rejecting the islanders as part of Australia, anyway. It is time Mr Hawke sat up and took notice of what we are about."

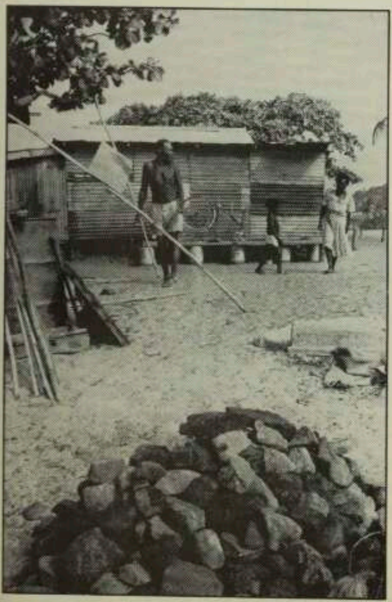
The executive chairman of the Torres Strait Independence Working Party, Mr Jim Akee, called Mr Hawke's attitude "mental and moral thuggery" and blamed the Australian Prime Minister for a heart attack suffered by Mr Mye.

When Mr Hand arrived in the Torres Strait Islands, the secessionist leaders presented him with their grievances. They complained that since annexation their lands had been despoiled and desecrated by foreign economic interests; that it was difficult for islanders to find jobs as most positions were filled by Asians and Europeans; and that outside interests had made no attempt to understand or respect traditional Torres Strait Islands culture, grouping islanders and Australian Aborigines together for bureaucratic convenience.

The islanders told Mr Hand that they



Aboriginal Affairs Minister Gerry Hand was rushed north to reason with the islanders



Top left: An implacable Mr Hawke. Top: The islanders claim their lifestyle is in jeopardy. Above: Life is hard despite the islands' rich resources.

had been neglected and oppressed in return for turning over their lands and resources to outsiders. They said they had no control over their welfare, particularly in regard to the granting of mining leases and commercial fishing operations, and that electricity, sewerage and housing were inadequate. Finally, the irate islanders upped their compensation demand from the original $A3 billion to $A5 billion and stressed to Mr Hand that they would not retreat from their independence call.

Said the Torres Strait Independence Working Party's Mr Jim Akee: "Mr Hand came here convinced we were all bluff. Now he knows we are not open to offers. We want to talk to Mr Hawke, we want immediate autonomy and identification as an independent nation."

Mr Hand met with Mr Hawke on his return to Australia. Mr Hawke's response was flatly to reject the islanders' independence claim, calling it "unrealistic". However, he said he would establish an inter-departmental committee to conduct an urgent investigation into the islanders' social and economic concerns.

He conceded that the islanders had many "obviously legitimate" grievances, including lack of basic services, exploitation of fisheries resources and growing numbers of PNG immigrants. The issue of greater autonomy for the islands would also be examined. Mr Hawke said he would visit the islands when the committee's work was completed, possibly in a few months' time.

Should the Torres Strait Islanders succeed in their secession bid, they would stand to lose Australia's $A20 million per year investment in the islands, as well as unemployment and child welfare payments. But it is understood pro-secessionists would hope to enjoy financial patronage of the sort Australia has granted to PNG since that nation's independence. This, they believe, would open the way for a re-emergence of traditional culture and the replacement of Asian and European administrators by native islanders.

Significantly — and ominously for secessionists who had hoped for support from the South Pacific Forum — Melanesian Spearhead leader, PNG Prime Minister Paias Wingti, is unsympathetic to the islanders' plight. Mr Wingti has said he considers the issue an internal matter for the Australian Government to resolve. He said his Government would not hold talks with the secessionist leaders. □

Target: Illegal Immigrants

A Government crackdown on over-stayers. By Jack Kelleher

MANY thousands of Pacific islanders, most from Tonga and Western Samoa, face deportation from New Zealand for over-staying visitor permits. Many have been in the country for years and have settled into communities and jobs. They have been smoked out by an apparent amnesty that offered a type of permit in return for illegal settlers registering.

The permit was attractive in that it gave the immigrant immediate legality. But it was temporary — a "gift of time", as one immigration officer puts it, to apply for permanent residence. If years on the run had caused them to be overawed by the novelty of becoming legal, even for a few months, it did seem to be understood by some that an interim legitimacy was involved and that it would need to be confirmed later.

What has blurred the issue for many of the islanders is that the New Zealand media referred to the whole offer as an "amnesty" as if permanent residence were available from initial registration, though the Government publicity was never so sweeping. And islanders who read on and who understood the temporary permit was intended to give them only time and opportunity to apply for permanent residence, didn't seem to realise they would have no head start with such an application: that they would have to meet routine requirements — which could involve a specific skill as listed from time to time, qualification under "family reunion" regulations or sponsorship by other family members.

Islanders are more likely to qualify under family and race assimilation provisions than they are by skill: many have won employment but not in those skilled occupations that cause the NZ Government to seek immigrants worldwide.

The Government intiative has seen nothing like the uproar of night raids by immigration officers accompanied by police of a decade ago, when suspected illegal immigrants were confronted in their homes before dawn, mostly in the semi-industrial suburbs of cities where ghettos were forming. The Labour parliamentary opposition of the day joined in a clamour that persuaded authorities to be more civilised.

Labour in government is more effective. Last year it passed a new Immigration Act that owed something to an earlier National bill heavily criticised in both the community and Parliament. The bill required over-stayers to prove innocence

Legal immigrants can learn valuable new skills.

Maori Land Fight

Maoris call for reinforcements as battle hots up. By Jack Kelleher

EVER since Maori chiefs and European settlers signed a sovereignty and protection agreement at Waitangi in the Bay of Islands in 1840, Maoris have been concerned about the Europeans' understanding of Maori land and shoreline (fishing) rights: wars have been fought between them over land. Now one tribe, the Ngati Te Ata from south of Auckland, has gone international by bringing a United Nations specialist to New Zealand and by its decision to attend a UN meeting in Geneva when the representative reports on her visit.

The Ngati Te Ata brought Professor Erica-Irene Daes, chairperson of the United Nations working group on indigenous populations, from Australia where she was studying the status of Aborigines. Ngati Te Ata asked her to observe continued pollution of Manukau Harbour, south of Auckland, and iron-sand mining by the NZ Steel Mining Co at the site of tribal burial grounds. Other tribes joined in the briefing on the five-day tour of contested Maori land.

After a meeting with Associate Foreign Minister Fran Wilde, Professor Daes reported "great understanding" with the minister on many issues. She said the government of New Zealand was prepared to consider further support and protection of human rights of the Maori people, and indicated certain procedures she thought would be helpful. The minister said they had discussed the history of Maori land claims back to the signing of the Treaty of Waitangi, as well as efforts to preserve Maori language and culture.

On the mining issue, Ms Wilde said present legislation was not strong enough to protect sites that should be protected. A review of historic places would be completed this year.

The tribe subsequently resolved to send a member, Mrs Nganeko Minhinnick, to Geneva to observe a meeting of the UN Commission on Human Rights and to monitor the Daes report on New Zealand. The professor had recommended that the Maori people state their case to the United Nations and said it was possible she might return. Ngati Te Ata also decided to have a member affiliated to the American rather than continuing to require the Labour Department to prove the offence — a charge that was failing increasingly often on purely technical grounds. The Act gave all over-stayers of the past five years a period of three months in which to register for a temporary permit that would allow them to apply for permanent residence.

Immigrants from more than five years ago — pre-August 1983 — are those who became entitled to automatic permanent residency as a matter of policy rather than legislative absolution. The position of islanders who have over-stayed visitor permits in New Zealand was further confused by a visa-free scheme, introduced a year ago, for tourists from Tonga, Fiji and Western Samoa. Charter flights were arriving; tourism was suddenly in fashion. The scheme was soon knocked on the head and the Government claimed islanders now formed the majority of over-stayers.

Another factor provides much of the heat in the current controversy. European and other over-stayers of visitor permits have established themselves in greater number than any official figures recognise, but their pale faces and individual lifestyles cause them to disappear. American nuclear refugees figure in this calculation. Of the 12,000 in over-stayers New Zealand, half are believed to have settled or drifted to the Auckland area — sometimes referred to as the de facto capital of the South Pacific. Only a small percentage of non-islands people responded to the new legislation's insistence on registration for temporary permit and application for permanent status ("amnesty" in all headlines).

Islanders responded mainly in November, when the offer was made, but they too dropped off from December when civil rights groups began protesting, mainly over the misconception that permanent residence was being granted. Immigration Department director Don Bond defends the advertising on this point, and denies a charge that Samoan immigrants are receiving negative replies to applications for permanent citizenship that come so fast as to indicate automatic reaction. He insists that none of these had yet been processed. Niue Islanders have no need to be concerned because they are citizens anyway, he points out.

The Council for Civil Liberties also charges that a $NZ220 fee required with an application for permanent residence is an imposition on some islanders, especially where their chances of being accepted are slim. There are also objections that the new law gives officials access to files from social welfare, Telecom, the Post Office, housing and transport departments. Bruce Jenkins, a supervising immigration officer in Auckland, acknowleges: "We have the ability to access information from other departments and local bodies." But the department said it would look first to employers when it resumed its checks for over-stayers after the expiry of the "amnesty" in February.

Established New Zealanders seem interested mainly in any suggestion of unfairness in the enforcement of laws, rather than in which laws are enacted or their effects. They rose against the night raids on island over-stayers, and they are interested in the present campaign — mainly for the suggestion that it discriminates against islanders and is not so effective in encouraging American and European over-stayers to register.

Indeed, some Americans have become quite verbal about the state of the world (especially the nuclear threat back home) while clearing a non-nuclear patch for themselves in New Zealand and pitching into conservation issues; and there is curiosity about their interest in the law on residency, and how easily they may have won "permanent visitor" permits. Fijian Indians were once regular work-permit holders as seasonal grubbers of tussock (an open country weed) in a scheme that inevitably produced some over-staying. Fijian Indian migration is an issue again, with Indians keen to remove themselves from their country's its present political turmoil.

One of the more encouraging developments in New Zealand, however, is that despite Government concern, the various islander groups seems to have developed closer relationships with Maoris. □

Ringed by police, Maoris demonstrate for land rights.

Indian Treaty Council (recognised by the UN) and to seek representation of other tribes to provide a national platform.

Meanwhile, old land issues have resurfaced in the Tauranga district, a forestry trade outlet and retirement stretch on the Bay of Plenty northeast of Rotorua. Forced sale of a block of land raised questions in Maori minds about its status at a time when even a town hall had been occupied as a signal of Maori determination to revive historic land claims. The owners of the block and a chief of the *hapu* or subtribe involved, Ngati Tamawhariua, agreed to remain off the land pending consideration of the case in Wellington in February. The block was part of 47,385 hectares of land confiscated in 1865: much of the land is now Tauranga City.

Many land disputes concern the legality or fairness of old confiscations, and of sales some Maoris argue could not have involved contemporary signatories in perpetuity, where land was tribal, and which could not have involved fishing rights that were specifically protected by the treaty. Settlers seeking land had found some chiefs eager to barter anything for guns they could use for protection against (or for settling old scores with) other tribes; the settlers had little insight into tribal traditions and the rights of anyone in a tribe to sell access to food.

Some Maori land negotiators in the south of the North Island were more astute than historians have acknowledged. These chiefs sold blocks on condition that one tenth was to be held in trust for the future benefit of the chiefs and their heirs. This agreement, dated from a deed of 1839 between the New Zealand Land Company and 16 chiefs, is still being enforced in claims in Wellington, Taranaki, Manawatu and Nelson provinces.

One of the tenths involves Athletic Park, New Zealand Rugby Union headquarters, operated on peppercorn rental. It highlights the claimants' assurance that some of the land could hardly be returned, and that the ancestors would accept land elsewhere in New Zealand or cash compensation. Such a claim, lodged in Wellington early in January, is the largest to go before the Waitangi Tribunal that is creating precedents for new thinking and decision-making on Maori rights. □

The Rush To Recognition

Australian and US aid plans balance erosion of media freedom and civil rights.

Fiji's President, Ratu Sir Penaia Ganilau, and Brigadier-General Rabuka have some reason to celebrate the events of past weeks.

EVENTS IN the Republic of Fiji over past weeks reflect a continuing decline in human rights, balanced by recent announcements of aid to flow to those Fijians who need it most.

The political and economic situation is serious: overall economic indicators have improved and sugar production has increased, but markets have contracted and Fiji's dependence on one major primary industry has made it a natural target for nations and ideologies seeking a stronger presence in the Pacific. Official statements provide little comfort to those in vulnerable positions, and unemployment in a nation that has no unemployment relief has forced many into realising the emptiness of a call to return to traditional ways and economies. Tourism is in decline, with numbers reduced and those who do come from Australia and New Zealand spending far less than their predecessors; as well, major investors have withdrawn from planned developments and replacements are proving hard to find.

Public discussion — even public awareness — will suffer with the Government's announcement of laws to control the country's media through a system of licences designed to prevent "irresponsible reporting" that might incite "racial feelings and social tension", according to the *Fiji Post*.

The announcement came soon after seven Government decrees that, as well as regulating internal matters such as expenditure and the structure of the police force, judiciary and civil service, gave notice of major changes in the conduct of public affairs. Members of the then Royal Fiji Military Forces have been granted immunity from prosecution in any civil or criminal matters arising from the 1987 coups. Fijian citizens will no longer be able to seek redress for assault, wrongful arrest or destruction of property during the coups and their aftermath.

Full executive power is to be vested in the President, Ratu Sir Penaia Ganilau, who will have all the powers formerly exercised by the Governor General.

The legal system is to be extensively altered, with the current Supreme Court disbanded and replaced by a nine-member High Court whose makeup is yet to be announced. The Court of Appeal is to be maintained, but a new Supreme Court will take the place of the Privy Council in London as Fiji's final court of appeal.

The net effect of the decrees, say Fijians who have left the country, will be to concentrate ethnic Fijian control of the nation's affairs, further removing minorities from power or licence to seek compensation and entrenching the role of the Great Council of Chiefs. The Ministry of Information in Suva has stated that the decrees are only temporary, and that they are "essential to create confidence and stability" while the country's new constitution is prepared. They "reflect the Government's awareness of the people's determination to return to normal life," says the Ministry, and that with increased international financial confidence, "the tourists, investors, aid donors, trade and international moneylenders [are] expected to follow."

Former Supreme Court judge Mr Justice Kishore Govind, however, has criticised the decrees and the Ministry of Information's assertion that they are designed to promote confidence in human rights in Fiji. He said in Sydney — where he had flown with his family after they had received anonymous threats in Suva — that he would consider returning to Fiji and to the bench only after the military had been demobilised and full democracy had been restored.

A few days after Justice Govind's call for a return to democracy, three members (one aged 72) of the Taukei movement made a farcical attempt to take over Radio Fiji, armed with a traditional war club they had stolen from the Fiji Museum. Threatening bloodshed if they were not given air time to announce their intention of taking over the country, the three were soon overpowered and removed by police. One, 30-year-old lawyer Kitione Vuetaki, told a Suva court at a committal hearing that the authorities had no right to prosecute him because "the real authority rests with the Great Council of Chiefs".

In further developments, the Government released 162 prisoners jailed for "political offences" during the period between the election of the Bavadra Government and the October 7 declaration of Independence, but did not define what constituted a "political offence". A spokesman for the Coalition Government said 21 of the 23 former ministers were out of work and that no-one would employ them for fear that they would be seen to be sympathetic to non-Melanesian Fijians.

Many of those who would like to leave Fiji have been prevented by a blacklist — at first denied, then admitted by the Government — that seeks to control the overseas movement of potentially critical Fijians, whether Melanesian, Indian or European. Among them was Robert Keith-Reid, publisher of *Islands Business* magazine, who was at first prevented from leaving Fiji on a business trip but was finally allowed to board his aircraft after a heated discussion with officials. Many have left without interference, and Fiji's professional and entrepreneurial ranks have thinned as doctors, dentists, lawyers, accountants, civil servants and business people (Indian and European) have taken their experience and skills to Australia, New Zealand, England and Canada. The Government has advertised for replacements, mainly from Asia, as it allows Fijian citizens to leave.

Success, however, has greeted Fiji's overtures to re-establish relations with a number of governments. Fear of interference from France or Indonesia has led the Australian Government not only to change its criteria for diplomatic recognition, from one of recognising legitimate governments to one of recognising states, but also to resume aid with an $A7 million package for 1988. Australian Foreign Affairs Minister Bill Hayden says that Australian aid will go only to projects and destinations deemed in greatest need and of social value, but this move has drawn immediate criticism from his New Zealand counterpart, Mr Russell Marshall. In a press statement in early February, Mr Marshall said that New Zealand would wait until Fiji's new Constitution was promulgated before it decided whether to reactivate its diplomatic presence there, though it will resume aid soon.

Mr Marshall's remarks came only a week before the Reagan Administration announced that the United States would recognise the Republic of Fiji, though aid grants will have to be approved by the US Congress.

Although Papua New Guinea Prime Minister Mr Paias Wingti has welcomed Australia's recognition of Fiji, saying the Republic should not be "isolated" from other South Pacific nations, New Zealand's attitude is both more cautious and far less accepting. Its Government, said Mr Marshall, did not approve of the actions of then Colonel Rabuka or of the coups, and would continue to press for the return of full democracy and a balanced representation in government of Fijians from all backgrounds.

And there are signs that, despite acts as provocative as the acquittal of Taukei leader Apisai Tora on sedition charges (a result of a speech he made in Fiji soon after the election that ousted the Alliance Government), a broader democratic base is gaining strength. Suva firemen went on strike in protest over cuts both in their pay and in the service they provide, and Fiji Trades Union Congress (FTUC) president Mr Jale Toki has called for "unity in the face of worsening hardship".

That he could make such a statement is a measure of the Government's backdown on control of union freedom and a retreat from its previous position of restrictions on union activities and detention of "unco-operative" union leaders.

The election of Mr Mahendra Chaudhry as General Secretary of the TUC has been interpreted as a distinctly political manoeuvre. Mr Chaudhry is secretary of the Fiji Public Servants' Association, Fiji's largest union, and led the firemen's strike in late January. He was Finance Minister of the Bavadra coalition Government and has pledged to "take stock of the issues facing the union movement and the country as a whole".

National affairs were coming under further scrutiny as *Pacific Islands Monthly* went to press, with reports of a radical restructuring of the 150-member Great Council of Chiefs. □

...And Rotuma's Fighting Mad

Islanders' freedom bid inspires Fijian "overkill".

UNTIL A few weeks ago the tiny island of Rotuma, 400 kilometres north of Suva, was known — by the relatively few who had heard of it — for two things: the beauty of its inhabitants and the size of its coconuts.

Suddenly, it has been thrust into the bizarre world of the new Republic of Fiji by a brave and doomed attempt to declare its independence from a territory it has always seen as a neighbour, not a ruler. Molmohau clan "king" Gagaj Sau Lagfatmaro (otherwise known as Henry Gibson, a grand master of martial arts and usually resident in New Zealand) declared Rotuma independent of Fiji last October, saying the island's 4000-odd inhabitants did not accept the Fijian Republic, and that the further 8000 Rotumans living and working in Fiji would henceforth be citizens of a separate nation.

Few took the declaration of independence seriously, though Rotuma had been ceded to British rule independently of Fiji and has never enjoyed full electoral privileges. Dissatisfaction with representation has continued since Fiji's independence in 1970 — significantly, perhaps, the island was represented by Ratu Sir Kamisese Mara as part of the Lau/Rotuma constituency until 1972, and many of its inhabitants resent the island's use as an election tool by the Alliance Party.

But it is on humanitarian and democratic grounds that Rotuma's own independence was announced, with Gagaj Lagfatmaro criticising human rights violations in Fiji and asking New Zealand (which seems to have gained control of the moral high ground in the South Pacific) to take charge of Rotuma as a dependency. The islanders have taken the serious step of hiring a Suva lawyer, Mr Tevita Fa, to draw up a constitution for an independent nation, and demonstrations against events in Fiji have drawn a response that has been categorised as "pure buffoonery" by observers in Suva.

Buffoonery or not, Fiji's reaction has shown a willingness to resort to violence that has been greeted with dismay by Rotuma's inhabitants. The Fijian District Officer blasted the flag of the putative Republic of Rotuma with a shotgun; an action that was followed rapidly by the arrival of a 13-man all-Rotuman military team, reportedly to help control a sudden outbreak of "extensive damage to food crop plantations" by wild pigs, according to the Fiji Ministry of Information.

Major Tim Malo, leader of the squad, is believed to have taken over as the island's new District Officer while his trigger-happy predecessor has returned to Suva. Rotuman sources say the soldiers are a "peace-keeping" force — on an island that has been free of violence since the 19th century. □

Fiji Visa Laws "Discriminatory"

THE executive director of the Pacific Islands News Association, Mr Tavake Fusimalohi, says Fiji's new visa procedures for foreign journalists discriminate against Pacific islanders. He said the new requirements were not reciprocal, as the Fiji Government had claimed.

Overseas journalists wishing to report events in Fiji must now apply for a permit through the Fiji mission in their home country, which sends the application to Suva for approval. Where there is no Fiji mission in their home country, applications can be made to the Information Ministry in Suva. Previously, journalists could work on a visitor's permit.

Mr Fusimalohi listed 12 Pacific island countries and territories in which Fiji journalists could work freely on ordinary visitor's permits. He said it would be harder for journalists from the islands he mentioned to obtain Fiji work permits because Fiji did not have diplomatic missions there.

Fiji members of the Pacific Islands News Association — PINA — had consistently supported resolutions calling for the full and unrestricted freedom of movement of journalists.

Mr Fusimalohi said the Association, which links print and broadcast media in the island nations of the South Pacific, was also disturbed by what he termed "continuing harassment" of journalists in Fiji. □

Léontieff Gets Tough

A steely realist takes control in Tahiti. Exclusive interview by Nicolas Rothwell

ALEXANDRE LEONTIEFF the new President of French Polynesia's Government, both architect and symbol of the territory's freshly devised politics of consensus, is himself a man of intriguing contradictions. A skilled technocrat, he took the reins of government at the end of last year with the consummate ease of a born politician; a steely economist, he was impelled to reach for power because of the growing social unrest in Tahiti; an enthusiastic nationalist at the head of a coalition that includes pro-independence leaders, he is still an ardent advocate of continued ties with France. In an interview with *Pacific Islands Monthly* in the presidential offices in Papeete last month, he outlined his policies for both the territory of French Polynesia and the Pacific region.

A leader whose political ascendancy is founded on the urgent need for change in his realm, Alexandre Léontieff freely admits that 1987 was a "very bad year" for French Polynesia: a year that saw the territory's capital, Papeete, in flames, economic activity slumping and even tourism, the mainstay of Tahiti, savaged by the drop in the $US. "The need for a new economic and social policy, a new social dialogue with our partners, is what led to the formation of the new political majority," Mr Léontieff says of his dramatic move to desert the established Territorial Government of the Tahoeraa Huiraatira party and establish a new multi-party ruling coalition.

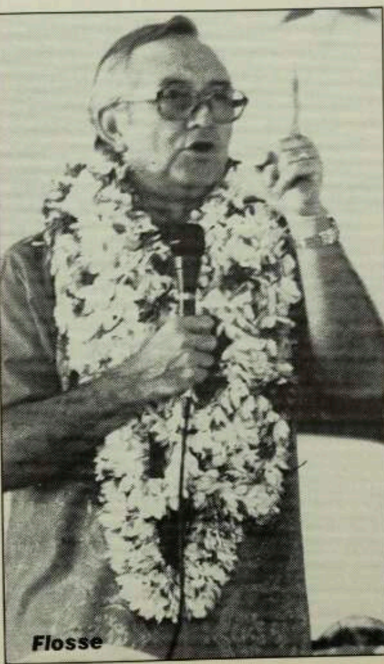
He believes his grouping, made up of defectors from the old Tahoeraa majority, together with allies of the Mayor of Papeete, Mr Jean Juventin, and politicians from the Aia Api and Ia Mana Te Nunaa parties, forms a "solid" bloc — "its parts are absolutely complementary, and there is no reason it should not last, for it has already proved its cohesion," he contends. One crucial test of the new majority will be the reaction to the new 1988 budget, which Mr Léontieff views as the "political expression of a government". French Polynesia's budgets have recently been of more than incidental political importance. Many commentators feel the attempt by the previous government's President, Mr Jacky Teuira, to impose his last budget without debate was the last straw that triggered the formation of the Léontieff Government.

"The measures that form our new economic initiative are in the budget, but there's another factor that must not be underestimated: confidence — the fact that a number of politicians who were previously in the opposition have joined together to tackle the real economic and social problems of Polynesia, putting aside their ideological differences — this brings with it a confidence, a hope for the future, that forms the basis of our initiative," Mr Léontieff explains.

"Investors, local or external, will not invest if they don't see in my Government this willingness to act, this rigour that is essential in public life, and if there is not tangible in the population the answering sentiment of support that one does in fact find everywhere," he says.

The new President is sharply critical of his former political master, Tahoeraa party leader Gaston Flosse, the strongman who is serving as France's Secretary of State for the South Pacific: he feels Mr Flosse's "sectarianism and lack of openness" provoked the crisis in French Polynesian government at year's end: "The need for openness in government is clear — we are a Polynesian country where tolerance and mutual respect are fundamental."

Mr Léontieff repeatedly speaks of the "stand of conscience" adopted by his majority, and the will of his government to improve the economic situation as a necessary step to improving social conditions — in contrast to the strategy adopted by the government controlled by the Tahoeraa, which, he now feels, arbitrarily made social reforms without adapting them to the economic context.



Flosse

Mr Léontieff's aim is to minimise the social disparities and tensions in the territory, and "bring into equilibrium the social and the economic." He hopes to do this by improving conditions in the outlying islands, so as to limit the inflow of people to Papeete; and by increasing consultation with the major economic and social groups. In this light, he will negotiate a "social pause" with key unions, which have already accepted the idea in principle; he is also close to resolving the problems of the dock workers, whose persistent industrial action was one of the causes of last October's Papeete riots: "We plan to resolve other social conflicts in this way, and I hope this approach will allow us to resolve problems without having to turn to the police — for we are in Polynesia, we don't want to have the feeling we are in an occupied country," the President says in a reference to the state of emergency imposed after the riots.

Mr Léontieff is acutely aware that what he terms the "confrontational politics" of the previous government had profound social effects: "The new majority, while aware of the constraints of the economy, takes into consideration the claims of its popular supporters, and people are already more at ease, there's less political conflict — this conflict that had even reached down to the level of the family, so that families of Polynesians were divided down political lines.

"With this new stand of conscience by our politicians, we have been able to create a climate of confidence that I hope, and I believe, will last as long as possible — and only a politics of opening-up could accomplish this, and ensure the country didn't fall into worse chaos."

While Mr Léontieff has confidence in his power to hold the new Government majority together, he is aware that his political foes, marshalled by Mr Flosse, are watching closely for any signs of disunity within his majority: "One should never underestimate anyone in politics — I am watchful, believe me," he says.

Outlining his Pacific area policies, he stresses the importance of regional bodies such as the South Pacific Commission and the Pacific Islands Development Program at Hawaii's East-West Centre, at the same time as stressing his Government's "will to increase links with the countries of the region, with these links based on mutual respect and a willingness to co-operate in appropriate ways." Ever conscious of domestic politics, Mr Léontieff pointedly emphasises the need for Mr Flosse, as France's Secretary of State, to carry out his duties in the region: "He should not give the impression that his Pacific mission is affected by his status as a member of the minority in this territory — he was chosen for his special qualities so he could represent France in the region, and France does have a special mission to spread its culture and technology."

Politically, Mr Léontieff describes himself as a "convinced autonomist". His position is that French Polynesia's statute of internal autonomy is the best arrangement for the territory, given its history and social and economic context, and offers "all the advantages of independence without its inconveniences." He stresses that independence was a possibility in the future, if the population voted for it in a referendum, but "at the moment I don't think Polynesians are preoccupied with securing their independence."

Mr Léontieff is a staunch defender, against regional critics, of the current status of French Polynesia, claiming that the notion of political independence is one that should be "relativised": "There are peoples who present the appearance of political independence but who are in reality dependent on other countries, through aid or by economic means, and there are countries that are politically independent, yet living in poverty — and there are countries that have made the choice to be economically strong and less politically independent," he claims.

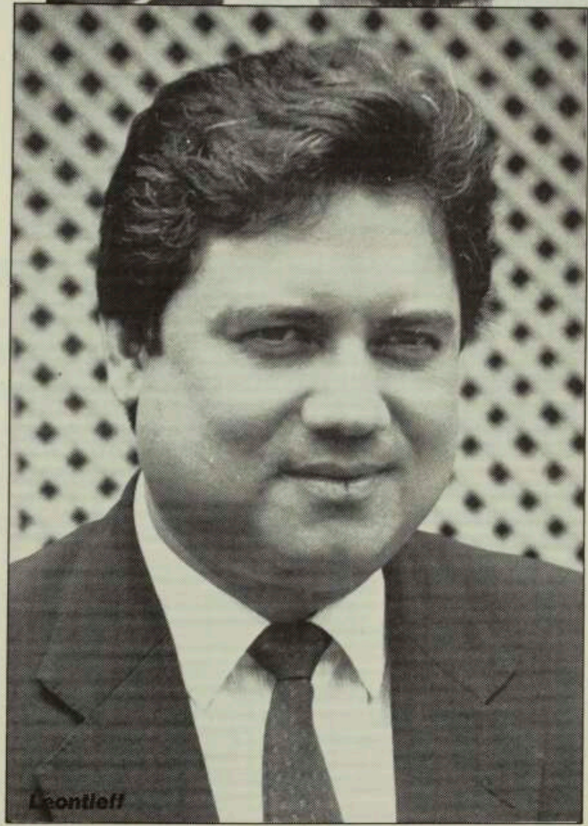
"I feel that above all it is the people who matter — Polynesians should have the best social and economic standards possible, within the framework of a statute that preserves their dignity and safeguards essential powers for the territory.

"As for political independence, in the end, why? We have an autonomous government, the High Commissioner of France does not intervene; we are masters of all the economic, social and cultural decisions."

Mr Léontieff's economic masterplan for the territory, framed in a new three-year blueprint, seeks to build on the elevated standard of living in French Polynesia — easily the highest of any Pacific island — in an attempt to develop high value-added products and strengthen the high-quality tourist industry. He sees the main challenge for the territorial government in the need to develop new industries that can help solve the crippling unemployment on Tahiti itself, as well as gradually to reduce the role of the French nuclear experiment centre, the CEP, in the overall economy.

"There is a need to prepare for the eventual departure of the CEP, to increase economic activity," Mr Léontieff explains — but in the same breath rejects reports from overseas contending that the test centre poses threats to the regional environment: "It is shameful for foreign journalists to talk in this way; we would not let the tests go on without being vigilant. All the political parties keep a very close eye on the CEP, and my Government in particular — my Minister for Research (the pro-independence leader Mr Jacqui Drollet) is very much aware of this issue, we make sure the tests are done in the right way and have no effect on the Pacific, the environment, the biological cycle."

Drollet



Léontieff

"Alexandre Léontieff is aware that his political opponents, marshalled by Gaston Flosse, are watching for any signs of disunity within the ranks of his majority"

Poised at the launch of a new phase of coalition Government in Papeete, Alexandre Léontieff cuts a confident figure as he prepares to shape a new French Polynesia from the complex cross-currents of French and Tahitian society. Although he speaks admiringly of Taiwan and Singapore, and sees a role in the Pacific for a highly developed island economy, he stresses there is no absolute model for his country: "Each nation must forge its own model of development, for the constraints on each are different — we don't have grandiose ideas: we have 200,000 people, we have marine reserves, phosphates and cobalt, a tourism industry that could be multiplied two or three times, and we have agriculture," he explains.

"But when we compare ourselves with any other islands of this region, we have no reason to envy them, or to harbour complexes — after all, we have our own Polynesian culture, a culture that has husbanded the Tahitian language, a culture that still endures today." □

Divisions Rock The Nation

Regional jealousies and entrenched cultural factions threaten Papua New Guinea's political and economic stability. By Frank Senge

UNITY IN Diversity" was the motto coined by Papua New Guinea's founding fathers to describe the unification of the new nation's more than 700 distinct language groups, as well as many different cultures and traditions, under one democratic government.

But over the years, political leaders more concerned with providing goods and services to supporters in their own regions have failed to formulate policies and to lay down infrastructures that guarantee unity and provide machinery to solve the inevitable differences in PNG's diverse cultures. Now that diversity is threatening the unity and stability of the nation.

Mr Michael Somare believes the country is heading toward fragmentation because of its entrenched tribal and regional groupings: "About 20 years ago," he says, "a handful of people from various parts of the country sat down and discussed seriously how to get this country to become strong, stable, prosperous and united.

"We were on our way to achieving this. However, 12 years after Independence, there are already cracks: cracks that are obviously the direct result of policies and beliefs based on tribal and regional groupings."

Mr Somare's fears are compounded by recent rumours of a military coup d'état fuelled by disaffected regional interests and political in-fighting in the Government of PM Paias Wingti. Other observers also fear that the in-fighting could escalate, throwing PNG into chaos.

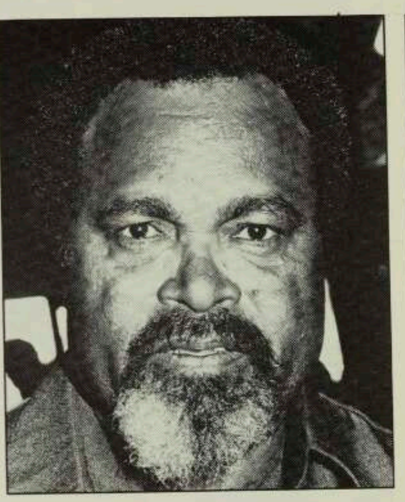
In PNG, regionalism often unleashes a rush of emotions that can eventually permeate every institution from the clan to the cabinet . . . with the same drastic effects. Regionalism can destroy individual careers, business houses and even governments.

From the beginning of self-government, leaders set out with vigour and enthusiasm to bring development to their own electorates. But every electorate in the country — and there are 109 of them — had the same need for basic necessities such as roads, bridges and classrooms.

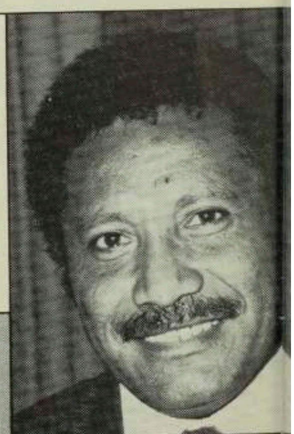
Realising they could not achieve much alone, the leaders formed regional blocs, comprising groups of electorates, to lobby together in a process made easier by the Wantok (one language) system whereby those from certain regions shared similar languages and traditions. Four regional groupings emerged: Papua, Mamose, Highlands and New Guinea Islands.

They filtered down through all levels of government and the bureaucracy, the argument being that more representatives in influential positions in the public service — even the cabinet — meant more funds for development.

But the government did not have the money to make this theory work. It decided that those provinces that made money would get a larger share of the national budget. Consequently, those provinces already well off received more funds and became better developed, while some



"12 years after Independence there are cracks that are obviously the result of policies and beliefs based on tribal and regional groupings"
— Michael Somare



Clockwise from top left: Key players in PNG's regional drama — New Guinean Somare, Highlander Wingti and Papuan Diro. Australian defence provisions such as the patrol boat Tarangau are threatened by PNG's internal problems.

provincial capitals still have buildings from the days of the Australian administration and unpaved streets.

The provinces of former German New Guinea, with their German plantations able to contribute more to the national purse, received more in return. Meanwhile, the provinces of Papua, which had been administered by the English and Australians, missed out on the money — but had the educated élite.

Hence the dilemma. Papuans want more funds to develop their region; New Guineans seek high office.

The one institution dominated by Papuans has always been the PNG Defence Force. Papuans such as Ted Diro, Ken Noga, Gago Mamai and Tony Huai worked their way up in the force to become Commanders; and when they left to pursue other interests, fellow Papuans slipped into senior positions in the force.

Many New Guinean soldiers believe that Papuan Commanders deliberately try to keep them at the bottom of the hierarchy. However, until now, Defence was the only institution where regionalism was not a factor. So it is ironic that the Defence Force is at the centre of the current regional controversy.

On January 14, the Government announced the sacking of three of the Defence Force's oldest and most senior colonels. All are Papuans: Chief of Staff Colonel Robert Dademo, Assistant Secretary for Border Liaison Colonel Lima Dotaona and Defence Attaché to Australia Colonel Kwago Guria.

They were removed for professional jealousy, lobbying politicians for promotions and, in the case of one, compromising his position with the Indonesians — all of which led to an alleged deterioration of discipline and low morale in the force.

The charges were identical to those used a month earlier, when Defence Force Commander Brigadier General Tony Huai was sacked.

Sacking a commander is not unusual — the force has had five different commanders in 12 years — but influencing defence middle management affairs was a different matter altogether. New Commander Rochus Lokinap told *Pacific Islands Monthly* that the soldiers were becoming increasingly agitated. "They are saying that the Government has taken them for a ride for far too long," he says.

The three-man defence council that recommended the sackings of the Papuans to Cabinet comprised Defence Minister James Pokasui, Defence Secretary Stephen Mokis and the new Commander, Brigadier General Rochus Lokinap; all from the New Guinea Islands region. The council swears the decision had no regional bias, but many people are not convinced.

Papuan politicians are outraged by the dismissals. During the vote in Cabinet, Papuan Ministers combined to try to outvote the sackings but did not have the numbers. Only diplomacy by Prime Minister Wingti averted a mass walkout.

Mr Wingti could not, however, stop the embittered Papuan ministers leaking the proceedings to the media and publicly challenging the decision, thereby once more shattering Government unity, and the controversy immediately triggered long held and bitter complaints by disaffected members over unequal distribution of wealth, and health and education funding.

Ted Diro's fight to wrest the deputy Prime Ministership from Sir Julius Chan has become a symbolic battle for equal rights for Papua. Former Defence Commander Gago Mamai has said the defence force was first politicised in 1977 when the then commander, Ken Noga, resigned to contest the national elections under a Pangu Pati ticket. When he failed to win he rejoined the force, but it has never been the same, Mr Mamai says. Soldiers have always been suspicious of Commanders influenced by outside political forces, and their reluctance to accept a political role appears to be genuine. General Lokinap rules out a military coup unseating the government: different regional groupings in the force, he says, are far too strong to allow any one faction to take power.

General Mamai agrees. "There would have to be a bloody mutiny in the force first," he says, adding that logistically and strategically the defence force could not control the country effectively.

Recent rumours of an imminent coup reported in the Australian media have been blamed on Australian intelligence misinformation . . . or disinformation. Commander Lokinap said he has intelligence information that the greatest threat to PNG is a political coup, not a military coup. "Arms are entering the country illegally," he says, and fear that "Criminals and gangs could be employed to hold the Government to ransom."

As *Pacific Islands Monthly* was going to press, two Papuan based gangs wrote to the Opposition, threatening to burn down Parliament House and to kill Prime Minister Wingti and his Defence Minister Mr Pokasui if Central member Ted Diro were not given the Deputy Prime Ministership. Mr Diro's People's Action Party dissociated itself from the threats. □

Mining The Rim Of Fire

The Pacific's fabled mining field — an El Dorado or an albatross for the region? By geographer Dr John Connell

MORE THAN 400 years ago the Spanish explorer Alvaro de Mendana set out from Peru to discover the legendary Isles of Solomon, said to have been visited by the Incas and expected to be the source of great riches. It is unknown if the Spaniards ever found gold, and by the beginning of the 17th century they had abandoned all attempts to settle in Vanuatu and the Solomon Islands.

But now, for many Melanesians and European "explorers" alike, the dream of King Solomon's mines lives on, primarily in Papua New Guinea, but also in the Solomon Islands and through most of the so-called Rim of Fire from the Philippines to Indonesia, Vanuatu and Fiji and south to New Zealand. Indeed the rim surrounds the Pacific rim itself and further recent gold discoveries have been made in all these countries, as well as Japan and Chile.

In PNG, mining spans exactly 100 years. The first gold rush of 1878 brought white miners to the hinterland of Port Moresby. They were unsuccessful but were followed, in 1888, by north Queensland miners crowding into Sudest Island in Milne Bay to pan for alluvial gold. But within a short time, much to European resentment, it was the islanders who were producing the bulk of PNG's gold: a situation destined to be repeated elsewhere, often after Europeans had abandoned unprofitable workings.

After Sudest there were many new discoveries of alluvial gold on nearby islands, then on the mainland of southeastern New Guinea and, most dramatically, around Bulolo and Wau in Morobe province. From the 1920s onward, PNG's greatest gold rush transformed the valleys around the richest alluvial goldfield in the country. European miners' fortunes were made, and lost; and as writer Hank Nelson records, "local communities evaded them, worked for them, traded with them, fought them and slept with them". These communities could scarcely avoid the transformation wrought by the gold rush, nor could Melanesians in the Eastern Highlands, the Sepik and Bougainville, as the alluvial miners moved their frontier onward.

Gold mining in Fiji had a very similar history to that of PNG. The first alluvial mineworking began in 1886, with limited success. When agricultural commodity prices plunged in the late 1920s and gold prices rose, the stage was set for the development of the Emperor gold mine at Vatukoula.

In the Solomon Islands much the same occurred on a small scale, but the various minor gold rushes never transformed incomes and lives as dramatically as in PNG.

PNG's first great mining era was in every way superficial. The mines were for alluvial gold, often temporary and often having little long-term impact on the lives of miners and Melanesians. The miners' contribution to colonial economies was equally brief. Not so with the second phase of mining, the construction of the vast Panguna copper mines in the mountains of Bougainville, close to the tiny pre-war Kupei gold mine. After much wrangling over land ownership, compensation and royalty payments, what quickly became the largest hole in the southern hemisphere ushered in a new era.

Massive capital flows from the vast international mining giant CRA led to the construction of a local subsidiary BCL (Bougainville Copper Limited) and by 1972 the first copper was being exported. Prior to independence, the national Government negotiated new contract terms, achieving greater success.

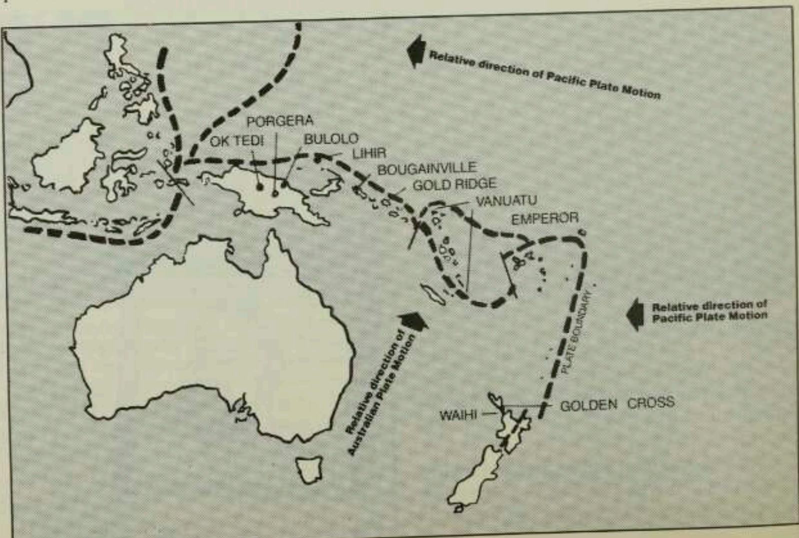
Huge incomes from Panguna — more than a third of national income in the early years — contributed to development in PNG, emphasised the relative wealth of the North Solomons province (which already produced much of PNG's copra and cocoa), provided jobs, developed new skills, and set the country on the path of rapid transformation.

The wealth that Panguna generated within PNG, despite the substantial "loss" of profits southward, was initially not wholly welcome. The Bougainvilleans resented the loss of land for mines and sought to prevent any further loss.

But mining continued and, a decade later, opposition to mining had virtually ceased. One factor that has contributed to this is gold. Panguna, once a copper mine where gold (and silver) were trivial by-products, now produces the same value of gold as copper. Outside Fr John Momis's Melanesian Alliance, few PNG politicians seek to prevent further mine construction, merely questioning some of the details of royalties, contracts, employment and revenue flows. The mining explosion has arrived in PNG.

There is a rush for shares in new mining companies as soon as they are released on to the PNG market. The release of Placer Pacific shares in July 1986 prompted an extraordinary rush. Shares specifically set aside for PNG investors were eagerly taken up, but equally sold off to foreign buyers by ministers, politicians and public servants after fast profits.

By global standards, Panguna is one of the last great copper mines to be constructed. If mineral discoveries at Panguna were belated, they were well in



advance of those made in the Highlands of PNG. It was not until 1968 that the era of exploitation and discovery brought geologists into the most remote Highlands, propelled by high global copper prices and aided by new survey techniques. A decade later Ok Tedi, the first of the Highlands mines, was in production.

In 1981 Sir Julius Chan enthusiastically announced that "Ok Tedi represents the pot of gold at the end of the rainbow". It was a brilliant phrase, for gold prices were just about to surge through the roof and there was no shortage of rainbows in the rainforests of the Star Mountains. But it was not before years of struggle that the mine eventually came into production. By 1987 what started out as a copper mine had become the largest gold mine outside South Africa.

The third mining era — PNG's second gold rush — began in the 1980s. Indeed, without its gold cap Ok Tedi might never have become a mine. Crucial to the new gold rush was the dramatic rise in world gold prices in 1980-1981, which levelled off in the next few years and soared again in 1986 and 1987, precipitating a new wave of mining and exploitation.

Gold has traditionally been a hedge against inflation, and in the inflationary era that prevailed until the stock market crash of October 1987 it became a major source of investment. Though a deflationary rather than inflationary period now seems probable and gold prices may fall much further than they did at the start of February, when the gold index dropped to its lowest level since November 1986, they are most unlikely to plunge toward the prices of the 1970s.

Copper and nickel prices in the next couple of years should reach higher levels than in the mid-1980s, hence for each of the key Pacific minerals the price prospects are extremely good. The gold market is unlikely to slump and mining is unlikely to become uneconomic even in the more inaccessible parts of the South Pacific. A worsening political situation in South Africa, though unlikely to stop South African gold trading, could push Rim of Fire prices even higher.

The combination of new exploration, gold price increases and the necessity for the PNG Government to extend mining development beyond Bougainville guaranteed the wave of drilling, construction, negotiation and share issuing that marked the 1980s. Without domestic capital and technical skills, virtually all elements of mining have been a function of international capital and expertise. Transnational corporations (TNCs) have multiplied in the Highlands and islands of PNG. New deposits of gold, oil, natural gas, copper and other minerals — including platinum — are continuing to be discovered in what may be commercial quantities, and exploration is far from over.

Mining in PNG has been slowed by inhospitable terrain (especially in the rainforests that covered Ok Tedi), the absence of infrastructure, limited knowledge of geological formations that are quite different from other world regions and previously unattractive gold prices. Even the relatively accessible Porgera mine in Enga province is 2300 metres above sea level, in mountainous rainforests with a rainfall of 360 centimetres a year. Only the most attractive prices could overcome such disadvantages, and tempt into the Pacific the TNCs that have been essential for providing finance, technology and expertise.

The new mines are quite different from the old alluvial workings. All are closely associated with hot springs and ancient volcanic activity at the mobile junction of the Australian and Pacific geological plates. These are the epithermal mines, whose discovery demanded new geological techniques and where processing demands new chemical skills. A series of discoveries has transformed PNG; most valuable are the potential mines at Porgera, Misima and, above all, Lihir, the jewel in the crown of the new era.

This year gold is likely to represent almost half of the total value of Papua New Guinea's exports

The size and number of the epithermal deposits points to a long-term future for gold mining. On the tiny island of Lihir, off the eastern coast of New Ireland, deposits are estimated at more than 25 million ounces. If production reaches its anticipated target of one million ounces per year (worth around $A650 million at current prices) Lihir could become one of the world's largest gold mines. Exploration on Lihir did not even begin until 1982, yet this is the ultimate crock of gold. Lihir alone rivals the known gold resources of Australia, the world's fourth largest gold producer, and exploration is not yet even complete. Not surprisingly, Lihir has proved to be a catalyst to further exploration throughout the Rim of Fire. A minor problem at Lihir is the nature of the Rim itself. Lihir is a caldera, a collapsed volcano; temperatures are extremely high and some coastal gold deposits are engulfed in boiling water.

The long period — often around 10 years — it takes to get a large mine into production means that only Ok Tedi and Panguna are currently exporting copper, gold and other minerals. Even so, in 1986 gold exports alone according to Bank of PNG figures were valued at K401 million, some 40 per cent of total exports, and by far the single most important commodity. Indeed, the value of gold exports has doubled since 1984. Copper trailed at K156 million. The total value of agricultural exports reached only K332 million, dominated by K209 million worth of coffee. For the first time, gold was more important than the whole of the agricultural sector. This year gold is likely to be almost half the total value of PNG's exports.

When Misima, Lihir and Porgera come into production (as all should do) in the next two or three years, PNG's gold output will rise from 36 tonnes a year to about 75 tonnes by 1992, a leap that will more than compensate for probable declines at Panguna and Ok Tedi. Other smaller mines may come into full production in the 1990s, at Kainantu (Eastern Highlands) and perhaps at Hidden Valley (Morobe), Laloki (Central Province) or Tabar Island, north of Lihir. In November 1987 new survey results suggested that Safia (Northern Province) might be larger than any of these; the *Times of Papua New Guinea* welcomed "an El Dorado".

The mining boom has also led to changes for the TNCs themselves, creating through mergers a new generation of extremely powerful mining giants, of which BHP and Placer are outstanding examples. After mergers, Placer has joined Ok Tedi Mining Corporation as the two largest gold producers in the world, both producing an output of about one million ounces in 1987. The sixth largest gold mining company in the world was Bougainville Copper Limited with 530,000 ounces. Placer is currently developing Porgera (along with two Australian companies), owns the whole of Misima, controls Kidston, the largest gold mine in Australia, and has major interests in Canada.

Three of the largest gold mining companies in the world are thus prominently represented in PNG, a measure of the extraordinary significance of PNG gold and its new role in world gold trade and production. In a decade, PNG will have moved from its present seventh place to become the third largest gold producer in the world behind south Arica and the Soviet Union.

For small developing nations, bargaining with massive TNCs has never been easy. Symbolic of the struggle for local development are arguments over whether a mining town should be built on Misima Island, or miners flown in and out from Queensland. The assumption that Misima would be a marginal mine and have a life of no more than 10 years led to Placer preferring "commuter-mining", with▶

The paradox of Pacific mining development: mineral self reliance for island nations depends on overseas investment

◀ miners flying in from Cairns, as they had done at Kidston in Queensland, rather than construct a temporary mining town and other expensive infrastructure on a remote island. The PNG Minerals and Energy Minister, John Kaputin, supported Placer's proposal but other cabinet ministers and local politicians sought a much greater degree of local involvement, consumer spending in PNG and a rather less visible form of neo-colonial development, with Misima an economic satellite of northern Queensland. After three years of discussion, no agreement has yet been reached.

It is not only in mining itself that TNCs are involved. In January the MP for Moresby North-West, Robert Suckling, called on the Government to ensure that all contracts associated with Misima mine project be awarded to PNG companies to avoid what he described as "The Ok Tedi fiasco" where many supportive contracting services were awarded to foreign and not local companies.

Environmental issues have also proved difficult to resolve. Substantial compensation muted the worst complaints from Bougainville, but the loss of cyanide drums into the Fly River below Ok Tedi caused more serious attention to be given to pollution. Environmentalists in PNG have argued that though environmental impact assessments must be made, the Government has rarely taken a tough line.

PNG Prime Minister Paias Wingti has continued past policies toward foreign investment. Speaking in Sydney last year, he emphasised that "we welcome foreign investment on our terms. If we cannot obtain at first the terms we consider acceptable, we will negotiate very robustly so as to achieve those terms. If we cannot agree over the negotiating table then let us simply agree to disagree."

No disagreements have yet led to the abandonment of mine concessions. The PNG Government has had to accept some mining company proposals since, in the demand for foreign capital, it is crucial for governments to keep mining companies and banks onside. Development of Ok Tedi became very difficult in 1984 when major banks became disillusioned with both PNG and the project — which world prices then suggested was risky — and in any case, banks are wary of countries oriented to commodity production. At Ok Tedi the tailings dam was deferred, perhaps indefinitely, and PNG-based economist Roman Grynberg suggested that "miners have PNG by the throat" when, at Misima, the Government signed the country's first-ever secret agreement with a mining company.

Mr Wingti has emphasised that his Government is not anxious to take up equity shares in new mining ventures, though it reserves the right to purchase up to 30 per cent of equity, which would tie up a great deal of scarce capital and impose some risks. Though the Government has taken up 20 per cent of Misima, it prefers to generate revenue through taxing profits. It even declared that the 20 per cent Government share in Bougainville copper could be sold off to generate much-needed capital for rural development. The Government has also tried to persuade TNCs to undertake as much infrastructure investment as possible, to minimise the risk of any withdrawal if prices fall.

Wingti has also stated: "Most of our mines, actual and prospective, are in remote areas. Mining is a means to what we regard as real or true development. We will not override legitimate local interests, which are our end, in pursuit of the means." However, a very crucial question that has posed enormous difficulties in several existing mining areas, including Boungainville and Ok Tedi, is who exactly are "local" people. Deciding where the "local" region is has caused enormous difficulties for employment and compensation policies.

At Porgera what was once a thinly populated area now has a growing population hotly contesting land ownership and thus access to incomes and jobs. On Misima, too, there has been a steady migration of young men for several years in eager anticipation of prestigious, exciting and highly paid employment. However, mining is a classic capital-intensive industry and the unskilled jobs that are the province of "local" workers are hard to get.

In the Highlands especially there has been widespread concern over "foreigners" from other parts of PNG, especially from the richer coastal areas, seizing the best jobs and profiting at local expense.

Access to income is at least as crucial as access to jobs, and has been a source of constant political friction. At the start of mining in Panguna, Alexis Sarei, later the Provincial Premier, declared that "Bougainville was not a fat cow to be milked for the rest of Papua New Guinea", and demanded a greater share of benefits for Bougainville. A brief secession movement led to the abortive declaration of a Republic of the North Solomons and the eventual emergence of the first real provincial government there.

Around Ok Tedi there was a move to establish a North Fly Provincial Government, breaking away from Western Province, and everywhere there have been disagreements over the local, regional and national distribution of spoils. All this emphasises the local and the regional inequalities that have followed mining development and the friction over vast new incomes, access to jobs and contracting services. At the national level, too, the attractions of political power and jockeying for that power can only increase.

Beyond revenue, mining has brought obvious benefits. Papua New Guineans have gained new jobs in exploration, construction, transport and in the public and private mine bureaucracy. In some respects there has even been an "internal brain drain" as skilled economists, scientists and others are attracted by high mine salaries. But Papua New Guineans have predominantly taken their place in the lower levels of the workforce.

At a national level, the costs and benefits will continue to be even more mixed. A major cost is that PNG is wholly dependent on external capital to finance mine development and therefore dependent on the movement of global commodity prices and whims of international corporate decision-makers. The gold price fall in January and February, to prices that are still exceptionally high by historical levels, has already led to a decline in the commitment to exploration in "high-cost" areas, including PNG and the rest of the Rim of Fire. The giant TNCs have pulled back further than more local companies. Higher costs and the longer times required for exploration, negotiation and development in these more remote areas have meant that companies needing to conserve their capital have had to reduce their activities drastically.

Garry Davies, chairman of Solomon Pacific Resources Ltd, recently told *Business Review Weekly* that "exploration in the Pacific is still moving ahead, and we are getting very good grades at our Wainivesi plant in Fiji, but the need to get into production is fundamental. You can't go back to the marketplace for money. We have cut back in the Pacific; in this environment you have got to be more hard-nosed." Though the PNG Government anticipates that by the end of the century mining will have taken on a much more indigenous flavour, the experience of mines elsewhere in the developing world suggests that a radical change is rather unlikely. When world gold prices sneeze, PNG cannot avoid catching cold.

The final destiny of the wealth PNG's golden future will bring is a critical issue. PNG has had a continual balance of payments deficit since 1980 as the import of consumer goods maintains some living standards at very high levels. In nearby Nauru, where phosphate has resulted in a

Pacific version of a Persian Gulf "oil sheikdom", much national income has been squandered on disappointing national investments and individual expenditure has resulted in a consumption pattern that has led to the world's highest incidence of diabetes, high rates of suicide and alcoholism and an extraordinarily high number of traffic accidents in an island with only two roads. Few males live beyond the age of 50.

Much larger PNG is unlikely to share quite the same fate. PNG has greater export diversity and a subsistence safety-net to ward off the worst problems, but it is probably true, as economist Roman Grynberg hinted last year, that "PNG is simply not ready yet for enormous amounts of wealth to hit it all at once. Nothing could be more devastating for the economy or Melanesian cultures and traditions."

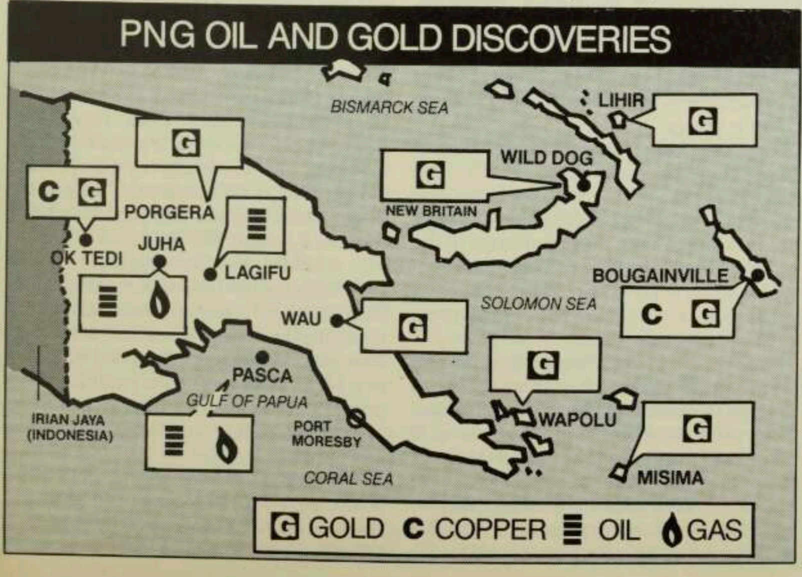
Wisely, Paias Wingti has stressed that agriculture will be given the greatest support in national development. After all, most people in PNG are both food and cash crop producers, and in 1980 less than 10 per cent of the population was in formal employment. Some degree of self-reliance in food production and diversity of exports are crucial to future development. And not even the most optimistic of resource economists can guarantee future gold prices. No government can afford to neglect agriculture.

Channeling mineral incomes into other sectors of economic growth, however, is likely to continue to prove difficult. The Panguna mine contributed K815 million to the PNG economy between 1972 and 1986 yet, since independence, PNG's growth record has been poor. Population growth has generally been in excess of economic growth. Agricultural development has promised much and delivered less.

The "hard kina" policy that has been a foundation of PNG's macro-economic policy may be called into question when national gold income increases. Any mineral boom would worsen the problem of choosing an appropriate exchange rate. What is quite conceivable is that PNG might experience a version of the "Dutch disease", where the success of the minerals sector in generating export income would force up the exchange rate and make it extremely difficult for other sectors of the economy to be competitive (more or less the situation during Australia's mineral boom). In short, the success of mining would make it much more difficult to achieve agricultural growth.

If PNG is already achieving dramatic changes from the various new pots of gold, any similar transformation has been elusive elsewhere in Melanesia and the rest of the Rim of Fire. In Fiji, the Emperor gold mine has taken on a new lease of life as the first overseas productive interest of the Western Mining Corporation. Yet in the last Fijian Development Plan of 1981-1985 gold mining had virtually been written off after years of stagnation. Placer has explored virtually the whole of Vanua Levu, is confident that at least a couple of sites will yield workable deposits and has extended its exploration to Ovalau. In the present straitened economic climate, Fiji will need every bit of revenue that can be squeezed out of the Vatukoula mine. Two devaluations have certainly helped.

Vanuatu and the Solomon Islands have largely remained the realm of smaller prospectors, since PNG and Fiji are ahead of Vanuatu and the Solomon Islands in two key areas: the existence of comprehensive exploration and mining legislation and a basis of background geological knowledge, even though epithermal gold has demanded a different kind of knowledge. The major global TNCs are concerned about outdated tax acts and mining legislation and want new ground rules to be established before they are tempted in.



In the Solomon Islands small-scale alluvial gold operations have been going on for half a century, especially around Gold Ridge in central Guadalcanal. In the present boom years this has intensified and gold smuggling has reached epidemic proportions. Though several gold smugglers have been jailed, this is merely the tip of an iceberg of lost revenue.

The Gold Ridge deposit licence, much of which is owned by Amoco (Cyprus Minerals), has been estimated to contain more than three million ounces of gold but Amoco has had problems maintaining the licence under satisfactory terms, though negotiations are continuing. It has not invested in development, despite the discovery of large, low-grade epithermal deposits. The small mining company Zanex withdrew from the Solomon Islands at the end of 1987 in frustration over Government taxation policy that Zanex considered "not conducive to profitable mining". For the moment, a real King Solomon's mine remains elusive and the pot of alluvial gold is trickling away.

Of all the Melanesian states, Vanuatu has benefited least from the gold price boom though, as in the Solomon Islands, there is some gold panning. Vanuatu has allowed prospecting concessions, which cover almost all the country, and gold deposits have been found in southwest Santo and Malakula — but so far there is no sign that they will be mined. Alluvial gold has also been discovered at Big Bay, Santo, though probably not in modern commercial quantities.

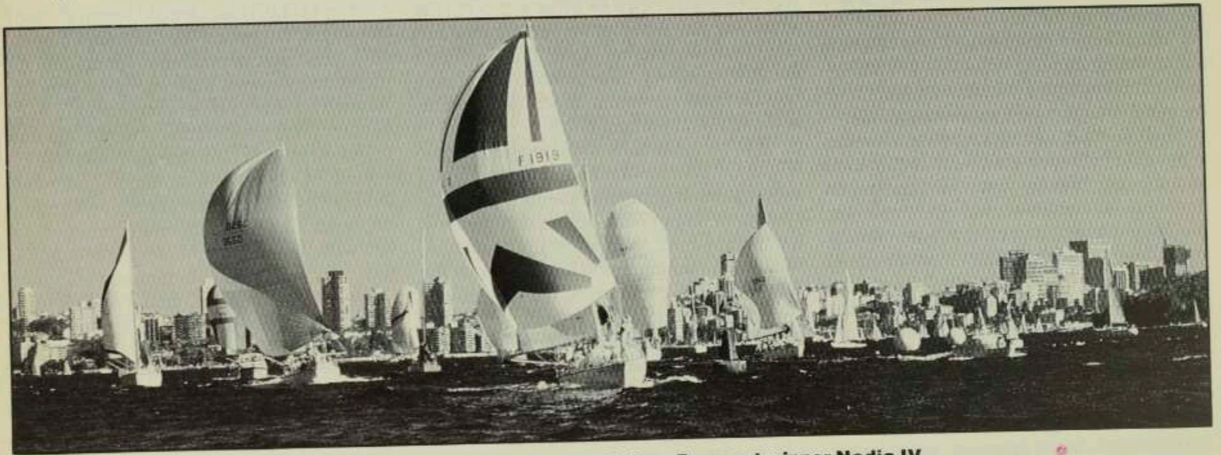
Unlike the Solomon Islands, Vanuatu has a history of mining (with the Forari manganese mine closing late in the 1970s) but for the moment it is lagging.

Already richer in the conventional Pacific trilogy of copra, cocoa and coffee, the gold-rich Melanesian states now have one further opportunity of achieving faster economic growth than the smaller, more isolated Pacific microstates, which seem destined to continue to rely overwhelmingly on aid and migrant remittances rather than achieving successful domestic economic growth. Gold will further emphasise the gulf between Pacific haves and have-nots, though it is possible that Tonga and Samoa could yield gold.

Ultimately, for all of the countries of the Pacific, as Paias Wingti has recently stressed, "we in PNG do not pretend to be in anything like in total control of our economic destinies. But that does not mean we do not make and take opportunities when they arise to increase our self-reliance. Our resources provide us such an opportunity." Indeed they do, though the paradox of mining development is that only the most comprehensive (albeit negotiated) dependence on overseas investment will enable even financial self-reliance. The costs of achieving this may yet be high but, for the moment, the Rim of Fire has delivered the jackpot. □

Casting Their Fate To The Wind

Long haul races offer fierce competition and lots of fun. By Karen Earnshaw



Above: New Caledonia's Brer Fox *leads a fleet out of Sydney. Below: Frequent winner* Nadia IV.

ON A WIND and a prayer, hundreds of sailors make a frantic dash each year for a swag of ports in the South Pacific — all in the guise of ocean racing.

Some are deadly serious, and will spend thousands in an attempt to take first place . . . but many enter these long-haul races, such as the Sydney to Vila or Wellington to Rarotonga, for the fun of sailing the same route as their friends.

In 1988 there will be a dozen or so major ocean races, and there are bonuses for the islands as well as the racers as a result of this glamorous sport. Roger Walton, race director of the Gosford, NSW, Aquatic Club, which organises the Sydney to Lord Howe race, said: "We worked out that on the 1987 race the boys would have spent something in the order of $250,000 on the island. That's all in just a couple of days."

Because of the limited space in Lord Howe's harbour only 25 yachts can participate in this race, held in early November each year, but each boat has five or six crew and by the time they reach port, that makes about 135 lads more than ready for a beer, dinner and a comfortable bed. "The only drawback is that occasionally some of the locals get a bit miffed at some of the boys' boisterous behaviour," Roger says.

"The main transportation on the island is bicycles, and there's always some that go missing for a few days after some lads have 'borrowed' them. But generally the businesses love the race and the income it brings."

For those who take part in the races it is a mixture of dedication to a closely competitive sport and the fun of parties and travel to new lands. If there's one fault with ocean racing it's not the enthusiasm of the sailors, but the lack of co-ordination between scattered yacht clubs. No one organisation has a list of where and when events are to take place.

This makes it difficult for sailors to learn which races (other than those involving their local clubs) are on. Host nations also lose out on tourists, and organisations that might like to take part in sponsorship are kept in the dark.

So it is after much searching that *Pacific Islands Monthly* presents a calendar of the main yachting events for 1988:

■ Sydney-Auckland, February 27. The Transfield Trans-Tasman Challenge, organised by the Short-Handed Sailing Association of Australia. About 20 boats expected. A "serious" as opposed to "cruising" event, with the quickest boats including an 18 metre trimaran named *Steinlager One*, owned by Peter Blake, expected to take just six days to cover the 1200 or so nautical miles.

■ Sydney-Mooloolaba, March 20. Organised by the Middle Harbour Yacht Club of Sydney. About 90 yachts are expected to take part in this event. Sailing secretary Frank Martin says: "It is a serious race, but many of the boats just go along for the ride. Actually, because of the winds at that time, the small boats have got a good chance to get a breeze and stay up with the big boats."

■ Hamilton Island, April 9-16. The Fourex Ansett Hamilton Island Race, run by the Hamilton Island Yacht Club. This is a series of shorter races rather than a single long-haul race, but is used by many yachts to tie in with other ocean races such as the Brisbane-Gladstone. The regatta is hotly contested around the beautiful Whitsunday Islands, but as organiser David Hutchen says: "You need a lot of intestinal fortitude to go racing; and an equal amount to handle the social life here in race week." This year the club expects about 90 yachts to take part. As well as the racers, a number of large yachts time their cruising trip up the east coast of Australia to tie in with this event.

■ Townsville-Cairns, Cairns-Port Moresby, Port Moresby-Samarai, Samarai-Townsville, April 25. Called the Coral Sea Classic series, the race carries a hefty

$50,000 in prizemoney, which includes $200 for each boat completing each leg of the race. The main sponsor is Boroko Motors, the Nissan dealership in Port Moresby. About 40 boats will be expected to take part in this event, with about 20 or so top-line (which equals very expensive) racing boats.

■ Wellington-Rarotonga, April 30. Organised by the Royal Port Nicholson Yacht Club of Wellington, this approximately 18-day race is likely to attract 20 competitors. A spokesperson for the club said: "We're really pleased to do the race with the Rarotonga Sailing Club. And of course some boats will just be taking part because of the destination."

■ Auckland-Mooloolaba, May 7. Organised by the Bucklands Beach Yacht Club of Auckland, the race is run biennially and this year is timed to coincide with Expo 88 in Brisbane. Spokesman Jeanette Waters says: "We run our race every other year so we don't clash with the biennial Auckland to Suva race." The club takes particular care to make sure cruisers can take part in the race. "The best part for them is that they've got radio contact all the way, so the safety precaution it makes it very safe cruising."

■ Tauranga-Brisbane, May 21. Organised by the Tauranga Yacht and Power Boat Club, the race will have 20 to 30 boats this year and has also been timed to tie in with Expo 88.

■ Sydney-Port Vila, May 28. This is a prestige event organised by the Cruising Yacht Club, Sydney (which also organises the famous Sydney-Hobart race). General manager of the Cruising Yacht Club, John Terry, says: "It's a serious race, but for about six of the big racing boats it is used as a stage for the crews to get to the Kenwood Cup in Hawaii." Each year the club has a number of less serious competitors. "By joining in the race," says Terry, "they can be part of the organisation and yet remain be in radio contact, which is a sort of safety net."

■ Hawaii (Kenwood Cup), July 30-August 13. Organised by the Royal Hawaiian Ocean Racing Club, the Kenwood Cup (formerly Clippers Cup) is one of the Pacific races. Sponsored by the Japanese electronics company for the past two years, and about 65 boats will take part this year. Many will have competed in other Pacific races on their way to Hawaii. Yachts from many countries take part, including craft from the US, Canada, Australia, New Zealand, Japan and Britain. "In the past we have had boats from Tahiti, New Caledonia and Hong Kong," says a spokesman for the club. "Of course, the race is very serious, but we like to give everybody a good time and there are plenty of parties during and after the series. Each yacht has between 10 and 15 crew on board, so it becomes a very good proposition for the island economically."

■ Sydney-Lord Howe, early November. Organised by the small but ambitious Gosford Aquatic Club, this will be the 15th year the race has been held. Race director Roger Walton does the relay radio work for the race on his yacht *Rakiah*. "My wife and I have gone on all the races," he says. "We wouldn't miss it for the world."

■ Brisbane-Nouméa. This race, co-sponsored by Club Marine and the New Caledonia Government Tourist Office, is due to be held mid-year, with a date as yet undecided. Every two years a Sydney-Nouméa yacht race is also held — and has become one of the most popular because of the distance and the destination. Kerry Dickerson of Club Marine says: "Last year we had 20 or so boats — including some from New Caledonia — and everyone loved it."

In addition to the above races, there will be two round-Australia races organised by the Short-handed Sailing Association and the Australian Yachting Federation — and a number of smaller races there will be contested in Queensland to link up with the Coral Sea Classic. □

The Cercle Nautique Caledonia Club in Nouméa is a popular port of call

Indonesia: A Giant Awakens

John Connell and Michael van Langenberg assess an ambitious neighbour

THIRTY YEARS ago, when there was no Indonesia — only the Netherlands Indies — the Dutch as a colonial power took their place in South Pacific decision-making. Not only did they play some role in ensuring that the western half of Papua New Guinea became part of Indonesia, but they were founder members of the South Pacific Commission along with France, the United States, Britain, Australia and New Zealand . . . all of whom remain in the region. In those thoroughly colonial times, there had also been close relations between France and the Netherlands: between the wars Javanese were sent to the mines and fields of New Caledonia, and have remained there ever since as an important political minority.

But in 1949 when Indonesia effectively became independent, the Dutch packed their bags and went home. Indonesia took its place as a Southeast Asian power, Irian Jaya was no more than a neglected Indonesian province and the Javanese of New Caledonia were largely forgotten. More recently, after emphasising its presence in Irian Jaya through transmigration and what Robin Osborne has described as a "secret war", precipitating the migration of refugees into Papua New Guinea and taking over the Portuguese colony of East Timor, Indonesia appeared to be seeking influence and power further east. Papua New Guinea has had a mutual friendship treaty with Indonesia for two years, and in the past months the Indonesian presence has become more dramatically evident with General Murdani's alleged donations to Brigadier Ted Diro's campaign fund and new economic relations between Fiji and Indonesia. Indonesia, it seems, is on the verge of becoming another global power in the ocean of the future.

Already military incursions across an ill-defined border and Irian Jayan refugees in border camps have caused enormous problems for PNG. These problems have their repercussions in Australia, where former South Australian Premier Don Dunstan has recently described the Australian and PNG governments' attitudes to the refugees as "supine". American troops will soon begin exercises on these troublesome borders. The issue of the "lost Melanesian brothers", just as it is in New Caledonia, is a divisive issue for each of the Melanesian states as Asian culture slowly overwhelms the western half of Papua New Guinea.

Certainly Indonesia's presence has become a dramatic one. The alleged funding of former Foreign Minister Ted Diro's election campaign by Indonesian army chief General Benny Murdani has caused widespread concern in PNG, where even in remote villages there have been long fears that the neighbouring Indonesian giant would one day spill over its borders. Luke Sela, editor of the *Papua New Guinea Post Courier*, has claimed that the Government's desire to control the media was caused by its embarrassment over the Diro issue.

The Indonesian connection has proved troublesome for Papua New Guinea. Opposition leaders, notably Bernard Narakobi, have claimed that PNG has become the target of a secret Indonesian plan to dominate the entire Pacific region through ties of industry, commerce and even transmigration. Prime Minister Paias Wingti countered on his arrival in Australia in December with an assurance that "Indonesia has no intention of interfering in Papua New Guinea's internal affairs." Without question, relations with Indonesia will remain a critical foreign affairs issue for PNG.

Further east, the Indonesia connection in Fiji has been benevolent: there are promises of a military alliance between the two states, direct air transport links that would reduce Fiji's dependence on Australia, and new trade measures. A private Indonesian trade mission visited Suva last November and agreed to buy Fijian sugar, molasses, canned fish and timber — a potentially significant boost to the Republic's ailing agricultural economy. In exchange Fiji will take Indonesia's maize, tea and various spare parts for its sugar production machinery. And, most crucially, Indonesia may well offer Fiji ships and aircraft. But after all, why not? Australia may see the Pacific being transformed into an Asian-American lake, but all the global evidence suggests that it is those small island states with the greatest and most diverse external ties that do best in aid, trade and crucial economic concessions . . . and Fiji will need all of these.

Most Indonesian political leaders today are particularly conscious of the important historical role played by Indonesian nationalism in the decolonisation of Southeast Asia and the Pacific after World War II. Indonesian interest in the Pacific, as foreign policy strategy, began in 1945, with the beginning of the military struggle between the Republic of Indonesia and the Dutch colonial state. Embedded in that larger struggle was another, involving pro-Dutch regionalist

Ageing President Suharto: to be replaced by a new order.

interests, for control over the eastern territories of the Netherlands Indies. This focussed especially on the Moluccan and "West New Guinea" regions.

From the very beginning of the formal existence of an independent Indonesia, therefore, control of its eastern territories was seen by Indonesian nationalists as crucial to the survival of the new state.

The struggles between the Republic and the regionalists continued into the 1950s, notably for control of the Moluccas. In Republican eyes, the South Moluccas in particular and Melanesian eastern Indonesia in general were viewed with some suspicion in terms of their loyalty to the new independent state.

By the mid-1950s, while the Indonesian Government was engaged in an ultimately successful campaign against regional dissidents in Sumatra and Sulawesi, considerable nationalist fervour was being stoked by a campaign for the "return" of West New Guinea to the Republic. With the eventual success of this campaign in the 1960s, and the incorporation of the province into the Indonesian state in 1969, Irian Jaya took its place in the top rank of emotive symbols of Indonesian nationalist identity — crossing virtually all ideological boundaries, it was seen as a significant nationalist victory in a 15-year struggle against colonialism and regionalism. Moreover, it established the eastern archipelago as a major focus of strategic policy-making within both the military and civilian foreign affairs bureaucracies in Jakarta.

By the early 1970s eastern Indonesia and northern Sumatra were the prime concerns of official strategic planning in Jakarta for the "archipelagic defence" of the state. But ultimately it was eastern Indonesia that was considered far more sensitive — and potentially unstable. Armed rebellion had effectively ended in northern Sumatra but remained open, and was on occasion spectacularly expressed, by Irian Jayan and Moluccan separatists. The emergence of Fretilin in East Timor greatly intensified Indonesian perceptions of "instability" by adding visions of a base for communist insurgency at Indonesia's back door. Given the savagery with which the Indonesian communist movement had been destroyed in 1965 and '66, anxieties about retribution and revenge remained deep within those who had engineered that destruction.

The present military rulers of New Order Indonesia have particular historical and psychological reasons for strategic concerns with the eastern archipelago. Many of the senior Indonesian military leaders, most notably President Suharto and armed forces commander Murdani, had taken leading roles in the military campaign against Dutch control of West New Guinea in the 1950s. Much of their professional reputations, as well as their nationalist credentials, rest on this involvement. The military and political campaigns for the incorporation of East Timor into Indonesia have further emphasised the eastern archipelago's importance and have also produced a second generation of military officers whose prestige rests on their active service in those campaigns. Added to concerns about regionalist dissidence and communist subversion, eastern Indonesia easily becomes *the* danger zone in the archipelagic defence strategy.

From the beginning of Indonesia's East Timor campaign, the military-sponsored Centre for Strategic and International Studies (CSIS) think tank in Jakarta has taken a leading role in formulating strategic aspects of the country's foreign relations. The prime concern in strategy formulation has obviously been relations with the major powers, but CSIS has also developed a special brief for foreign policy strategy in the Pacific. This includes a perception of the Western Pacific as a region of special strategic interest. Encompassing Fiji, Vanuatu, Papua New Guinea and the Philippines, Foreign Minister Mochtar Kusumaatamdja remarked not long ago, that it was already long overdue for Indonesia to look more toward the "Southeast".

The CSIS has recently promoted the notion of a single Indian-Pacific "hemisphere" — said to have the Polynesian name *Tagaroa* — extending from the east coast of Africa to the west coast of the Americas. Significantly, the Indonesian archipelago is located geographically at the centre of this hemisphere, which also spans the Malay and Melanesian cultural regions. At the same time, there is an overt emphasis on Indonesia's position as one of the five big powers in the Pacific Basin, along with the US, USSR, China and Japan. This is further emphasised by Indonesia's position as the dominant power in the ASEAN group. For some Indonesian strategic planners, these factors point to a premier role awaiting Indonesia in a 21st century Pacific Age.

So far as its defence options are concerned, in 1987 Indonesia's western perimeter, from northern Sumatra to the Malacca Straits, is relatively secure against external threats. The eastern perimeter, Melanesian Indonesia, is a very different story. There is the threat posed to internal security, especially in Irian Jaya and East Timor, by the pan-Melanesian consciousness spreading across the Western Pacific. There is the potential for political instability resulting from the complex interventions by outside powers from the US to the USSR, Japan, China, Australia, France, Libya and, more recently, Malaysia. And there are recently revived fears of another communist base emerging in the Philippines.

A church service on the troubled border between PNG and Irian Jaya.

Explicit in Indonesian strategic concerns with the Western Pacific is an anxiety about the proliferation of nuclear weapons in the region, and the lack of any superpower arms control agreement. Implicit is an awareness that any such arms control agreement would bring with it a more permanent definition of superpower spheres of interest in the region, placing greater constraints on Indonesia's freedom of action. Thus, Indonesian centrality in an Indian-Pacific "hemisphere" and its dominant position with ASEAN are used to assert a legitimate sphere of influence in the Western Pacific.

The military CSIS planners in Jakarta make only the most token attempts to disguise this. Just as it has been said in France ▶

Over the next five years Indonesian foreign policy will pay considerably more attention to the Western Pacific region

◀that "we are there because the Pacific is there", so Dr Djalal, a senior official in the Indonesian Ministry of Foreign Affairs, has proclaimed that the Pacific is "where all the major powers of the world are, so why not Indonesia? We certainly wish to have a place there". Moreover, Indonesian foreign policy makers are conscious of the potential fragility of internal PNG politics and the possible flow of this instability into Irian Jaya.

Indonesia fears a "Lebanon trap" with a breakdown of political stability in PNG, the rise of a variety of dissident factions, the growth of further pan-Melanesian sentiment and a flow-on effect that would strengthen the separatist Free Papua Movement (OPM) in Irian Jaya. Pressures will then develop within Indonesia for military intervention inside PNG.

The cycle of escalation may be irresistible and costly. Indonesia is now playing an active role in attempting to maintain a "co-operative" and stable political system in PNG — hence its considerable "sphere of influence" interest in PNG politics — expressed in regular consultations about strategic planning, promises of special relations between PNG and ASEAN and even financial assistance from Indonesia.

The sphere of interest emphasis in Indonesian foreign policy is likely to increase as a new, more confident generation of leaders takes over in Jakarta. They will be less concerned by a need to draw a sharp contrast with the aggressive Sukarnoist policies of the 1960s than Suharto's government has been.

There are even signs of a yearning among some of the younger civilian and military politicians for the national pride of the days of Guided Democracy and their aggressive foreign policy.

So far as recent developments in Fiji are concerned, Indonesia has much to be wary about in the politics of indigenous Melanesian power being asserted there. For the immediate future, Indonesia must accommodate to these developments and ensure there is no spillover into Melanesian Indonesia: Jakarta certainly does not share Malaysia's new enthusiasm for the direction of Fiji's republican politics.

For the longer term, the potentially destabilising influences in Melanesian Indonesia from the Taukei and Kanaky movements must be a matter of considerable concern in Jakarta's strategic-planning bureaucracy. Over the next five years Indonesian foreign policy will pay considerably more attention to the Western Pacific. The border with PNG, in particular, will be less sacrosanct in Indonesian eyes if perceived strategic interests and nationalist pride in Jakarta are threatened. After 1993, when Suharto's term as president ends, political control of the New Order government in Jakarta will most probably have passed entirely to the hands of a new generation of military and civilian leaders.

And Indonesia is not the only Asian power to take an interest in the region. Japan, of course, has widespread business interests and is now a major aid donor (and also the largest aid donor in Indonesia). China has a diplomatic presence in Western Samoa and Fiji. Taiwan has an honorary consul in Tonga, while the Solomon Islands is the only country in the world that has managed to recognise both Chinas. South Korea is expanding its trade and mining interests and was one of the first countries to recognise Colonel Rabuka's régime in Fiji. More recently Malaysia is also taking its place.

Indeed, virtually every substantial state in Asia is currently expanding its interests in the Pacific and now especially in politically unstable Fiji. Though Malaysia has had an embassy in Fiji for some years, the nature of the relationship has changed emphatically since the coups. There will be much closer trade links, and Malaysia's constitution has been a partial model for that of Fiji. Not surprisingly, many Fijians see Malaysia as a model for the kind of state they wish to become, with the "sons of the soil" firmly in control.

Australia's Foreign Minister, Bill Hayden, has drawn a similar conclusion. Here, at least, one Asian nation has gone far beyond trade: it has become a model for a new Fijian future. And in a last irony, PNG is reported to be contemplating membership in ASEAN. Many thousands of years ago, the ancestors of Pacific islanders migrated south and east from Asia: now such ancient ties are being brought together again. For better or worse, Asia is moving closer to the South Pacific. □

Dr John Connell and Dr Michael van Langenberg are researchers with the Research Institute for Asia and the Pacific at the University of Sydney.

Pacific Report

□ CYCLONE AID TO VANUATU

AUSTRALIA is to provide up to $A800,000 in aid for victims of a cyclone that struck the northern islands of Vanuatu in January.

The Australian High Commissioner to Vanuatu, Mr Greg Unwin, said that RAAF Hercules transport aircraft had made flights to Port Vila in the wake of the cyclone, carrying a helicopter used to assess the extent of cyclone damage in the Banks and Torres Islands and supplies of shelter materials, food and other emergency relief.

□ VANUATU PM FLIES TO NZ

VANUATU'S Prime Minister, Father Walter Lini, flew to New Zealand for special medical treatment in mid-January.

Father Lini suffered a stroke in Washington almost a year ago, but has denied he is too ill to lead the country and before departing for three weeks' holiday and medical treatment in Auckland and Rotorua, told party supporters he intended remaining as Prime Minister for his full four-year term.

□ FIJI TO FLY THE (NEW) FLAG

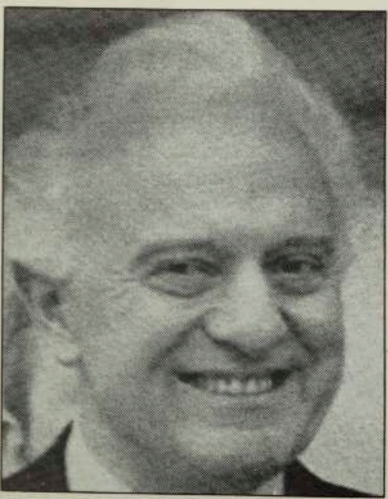
THE Fiji Government invited entries for a competition to select a new national flag and anthem for the Republic. The competition, open to all Fiji citizens, closed on February 16.

Fiji's present flag comprises the Union Jack in the top left corner, with the Fiji coat of arms on a light blue background. Fiji ceased to be a member of the Commonwealth when it became a Republic last October and the new flag is expected to drop the Union Jack.

Soviet Nuclear Breakdown

THE SOVIET Union has announced that it is ratifying the protocols of the South Pacific Nuclear Free Zone Treaty. The Soviet Embassy in Canberra said ratification was possible because Moscow now accepted that, under the accord, nuclear-powered and/or armed ships were allowed to transit through the South Pacific Nuclear Free Zone.

The Embassy said that the Chairman of the Presidium of the Supreme Soviet, Mr Gromyko, had sent a message to the member countries of the South Pacific Forum informing them of the ratification. The message said the Soviet Union would observe completely its commitments under the Nuclear Free Treaty. Mr Gromyko said the Soviet Union wanted to strengthen the viability of the nuclear free zone and hoped all members of the South Pacific Forum would join the treaty.


Foreign Minister Shevardnadze.

A Second Secretary of the Soviet Embassy, Mr Vladimir Valkov, said that when the Soviet Union had signed the treaty in December 1986, it had expressed its interpretation that the treaty prohibited the transit of nuclear vessels.

He said this had been one of the main questions discussed during talks last year between the Soviet Foreign Minister, Mr Shevardnadze, and his Australian counterpart, Mr Hayden.

Mr Valkov said that Australia's representations had been important in changing the Soviet interpretation of the Nuclear Free Treaty.

The Soviet diplomat said the atmosphere of new thinking in the Soviet Union had also made it possible for Moscow to ratify the protocols of the South Pacific Nuclear Free Zone Treaty.

Meanwhile, Vanuatu's Foreign Minister, Mr Donald Kalpokas, said last month his Government was considering signing the South Pacific Nuclear Free Zone Treaty.

Speaking in Wellington after talks with the New Zealand Prime Minister, Mr Lange, and Foreign Minister Mr Marshall, the Vanuatu Minister said no timetable had been set for reaching a decision on the treaty.

Vanuatu, Solomon Islands and Tonga have stood apart from other South Pacific Forum nations in not signing the treaty. The Vanuatu Government had considered the treaty too weak, particularly over restrictions on visits to the region by nuclear ships. □

□ PUBLIC SERVICE CLEANUP

FIJI'S Prime Minister, Ratu Sir Kamisese Mara, has ordered the country's top civil servants to crack down on malpractice in their departments. The Prime Minister issued the order during an address to permanent secretaries of Fiji's public service commission and called on them to set production and productivity goals, adding that department heads must crack down on unpunctuality, inefficiency, stealing, fraud and corruption.

□ SAMOAN NURSES MAY STRIKE

MEMBERS of Western Samoa's Registered Nurses' Association have threatened to strike over pay and working conditions. A spokesperson for the association said few recruits were attracted to nursing in Western Samoa because of poor salaries and that many established nurses were leaving their jobs to take more highly paid positions in other countries.

The association submitted a new salaries proposal in January to Western Samoa's Public Service Commission. Officials have agreed to negotiate on the proposal, but have not yet set an agenda.

Western Samoa's 300 nurses are asking for an unspecified increase in starting salaries (at present around $US1000 a year), paid overtime, travelling expenses and compensation for exposure to disease.

□ TONGA DEFAMATION TRIAL

THE trial has begun in Tonga of a newspaper editor, 'Akalisi Pohiva, a Tongatapu People's Party representative and member of Parliament, for allegedly defaming the Minister of Police.

The alleged defamation relates to a letter in the *Kele'a* newsletter of November 1986, which included allegations about Tonga's Police Minister, the Noble 'Akau'ola.

□ US AID TO TYPHOON-HIT GUAM

THE United States is to provide emergency relief to the Pacific islands of Guam and Rota following devastation caused by Typhoon Roy, which struck the American dependencies of Guam and Rota in the Marianas on January 11 and 12, wrecking 985 residencies on Guam. The relief program includes temporary housing and low-interest loans to cover uninsured property and business losses.

□ TONGA'S NZ CONSULATE

TONGA is soon to establish its first diplomatic mission in New Zealand by opening a consulate in Auckland (home to the largest concentration of Tongans outside the kingdom). Tonga is also looking into the possibility of sharing some diplomatic representation with Western Samoa.

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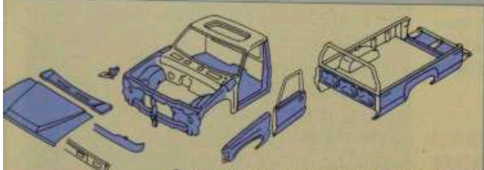

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TOYOTA

Pacific Report

THE AUSTRALIAN Government has agreed to fund the first year of a research project to help South Pacific food producers improve and increase their exports to Australia and New Zealand.

The project will concentrate on improving food handling and shipping techniques for coconuts, bananas and taro, as well as conduct market research and promotion for a wide range of horticultural products.

Exports of some of these products have been hampered by spoilage and uneven ripening during transit to Australia and New Zealand.

Scientists involved in the initiative have already begun a series of experimental shipments of bananas from the Cook Islands to Auckland.

An outline of the project was endorsed by several South Pacific nations at a regional agriculture meeting held in Western Samoa last October.

The Australian International Development Aid Bureau will pay for the technical expertise of a post-harvest horticulturist, as well as the cost of trials and associated research.

The project will be managed by the Australian Centre for International Agricultural Research.

□ CON MAN JAILED IN FIJI

IN FIJI, a man accused of cheating people wanting to emigrate to Australia of more than $A30,000 has been jailed for two and a half years. Wasu Dewan Nair, 48, had pleaded not guilty to 14 charges of obtaining money by false pretences.

Suva Magistrates Court was told that Nair obtained up to $F4000 a time from 15 people by promising to obtain visas for them to work in Australia.

□ NEW MILITARY HEAD FOR NOUMEA

THE commander of French forces in New Caledonia, General Michel Franceschi, is to be replaced this month. An announcement in Paris said the general — New Caledonia's military chief for more than three years — would be succeeded by General Jacques Vidal.

Under General Franceschi's command, French military numbers in New Caledonia have doubled to 6000.

□ SAMOA'S UNWELCOME GIFT

WESTERN Samoan authorities are not pleased by Australia's gift of a new patrol boat for use in Western Samoa's waters.

The Parliamentary Public Accounts Committee, which has drastically reduced the funding previously allocated for the patrol boat's running costs, says the gift is a classic example of aid that can be a burden to the economy.

According to the committee, the cost of fuel to run the patrol boat for one day would equal that used by the country's police force for an entire year.

□ FRENCH TECHNICAL AID TO FIJI

FRENCH aid in the South Pacific has increased with the assignment of a French computer expert to manage computer operations and train staff for an offshore mineral prospecting organisation based in Suva. France is also offering training for personnel for islanders at its new University in Tahiti.

□ HEALTH ON HORSEBACK

THREE aid post orderlies in Papua New Guinea's Morobe Province have completed training in riding and horse management in a pilot project to test whether more effective health patrols can be conducted to remote areas in the mountainous Morobe province.

Present patrols are infrequent because they are conducted on foot and take a long time. The use of the horses will be observed over the coming year and if successful, more health workers will be taking to horseback to help promote health in the remote areas.

NZ Asthma Study

WHY ARE Tokelauan children twice as susceptible to asthma in New Zealand as in their own islands? Research has shown the trend is so: other islanders have shown a similar increase in respiratory complaints in New Zealand, but it has been more pronounced for the Tokelauans. A group of 500 Tokelauan children in Wellington's Porirua and Hutt Valley areas were studied in 1986, to bring old data up to date, and a New Zealand medical team is now off to the Tokelaus to make comparative tests with children in the islands.

Team leader Dr Julian Crane, senior medical lecturer at Wellington School of Medicine, is accompanying a physiologist and a technician to the islands and will spend six weeks on Fakaofu atoll to complete the survey. He says the differences could be caused by environment: the islands have relatively few flowering plants and the open houses and outdoor lifestyle mean there is less dust.

New Zealand, he points out, has many species of grasses; and house dust mites in clothing and carpets also can trigger an allergic reaction.

Trade Winds

□ FIJI PLANS PRIVATISATION

FIJIAN authorities are considering selling the country's Government-run mails and communications services to private enterprise. Radio Fiji said the Ministry of Finance in Suva produced a paper outlining the privatisation plans to be considered by Cabinet. Prime Minister Ratu Sir Kamisese Mara last year attended a privatisation conference in Fiji, which gave extensive coverage to the American Government's support for private, rather than public, enterprise.

□ FLYING FRIENDLY SKIES

TONGA'S FRIENDLY Islands Airways will use one of three newly leased planes to begin services to Australia and New Zealand. The Tongan airline will lease two Twin Otters and one McDonnell Douglas MD87 from an Irish aviation company under a five-year agreement just signed.

The Twin Otter, to carry 19 passengers, will be used mainly for local services and flights between Tonga and American Samoa. The MD87 airliner, which seats 115 people, will link Tonga with Sydney, Auckland, Fiji, Western Samoa and American Samoa. It is expected to be in service in late July.

The first of the Twin Otters is due in Tonga at the end of this month, while the second should arrive next month.

□ BOUGAINVILLE OUTPUT DOWN

THE BOUGAINVILLE Copper Mine in PNG produced more than 15 tonnes of gold in 1987. Releasing production figures for the calendar year, Bougainville Copper Limited directors said the mine's gold output improved in the final quarter to more than four tonnes, to lift total output for the year to just under 15.1 tonnes.

The figure is down by more than a tonne on the 1986 figure. Silver production for 1987 was slightly up at 50.6 tonnes and copper production remained stable at 178,000 tonnes.

Sugar cane for crushing: an industry on the way back.

□ FIJI'S SWEET SURPRISE

FIJI'S SUGAR production totalled just over 401,000 tonnes last year — a substantial increase on mid-season forecasts despite a delayed start to harvesting because of the country's internal upheavals.

The figure announced by the Fiji Sugar Corporation is about 100,000 tonnes less than the 1986 record, but 50,000 tonnes more than originally predicted.

Fiji's Prime Minister, Ratu Sir Kamisese Mara, said his Government will give the highest priority to overseas markets for sugar, the country's largest export earner.

□ JAPAN-KIRIBATI FISHING PACT

THE KIRIBATI Minister for Natural Resources and Development, Mr Taomati Iuta, said Japanese fishing interests wanted to employ a number of graduates from the country's marine training centre. This was the result of a recent visit to Kiribati by a five-man Japanese fishing mission, which toured the school and the State Fishing Company.

Government and school officials would meet shortly to work out conditions of service for a total of six new graduates being sought by the Japanese. The Minister said it was hoped the graduates would return after three years and set up their own fishing ventures in Kiribati.

□ PNG'S UNUSED LOANS

THE EEC representative in Port Moresby said he had some $A32 million in aid and soft loan money for PNG that was not being used. However, political debate raging over use of other EEC money — known as Stabex Funds — had overshadowed the issue of the unused finance.

Doctor Van Niekerk said that there was a little-known second EEC fund worth $A32 million — half of it a grant and half a "very soft" loan — which was still waiting to be used for rural and agricultural development projects.

□ PNG TAX BOOST

AUSTRALIA signed a K6 million aid agreement with Papua New Guinea aimed at helping to increase the PNG Government's income from taxes. Under the new agreement Australia will provide advanced computer facilities for the taxation office, train Papua New Guinea taxation collectors, and assist with the implementation of sales tax.

Australia will also finance a study into a general review of PNG's tax system, including the extent of tax avoidance.

The Australian High Commissioner in Port Moresby, Mr Lance Joseph, who signed the five-year aid agreement with Papua New Guinea's Finance Minister, Mr Kwarara, said Australia was glad to help the taxation office improve its efficiency.

Mr Joseph said increased compliance with the tax laws would lead to increased Government income and a more even sharing of the tax burden.

□ FIJI CITRUS IN STRIFE

FIJI'S BIGGEST fruit processing company — Fiji Citrus Products Limited — has been placed in the hands of a receiver according to the Price Waterhouse accounting group. Price Waterhouse said the decision to place the firm in receivership had been made after discussions between Fiji Citrus and what it described as "certain secured lenders to the company".

Fiji Citrus grows oranges and pineapples at Batiri on the island of Vanua Levu. Its principal shareholders are the National ▶

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Trade Winds

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The company has been a major supplier of orange and pineapple juice to the domestic and New Zealand markets.

□ NZ HANDS OUT AID

NEW ZEALAND eased slightly its freeze on foreign aid to Fiji by handing over a cheque for Fiji's pine tree industry. The $A6000 cheque brings to $A20 million New Zealand's total contribution to the Fiji pine industry since 1976.

Because of New Zealand's large investment in Fiji's forest industry, the assistance did not come under the current freeze on New Zealand aid to that country.

□ COPRA PRICE IMPROVES

THE WORLD price of copra continued to improve following the disastrous prices of the past two years. The world benchmark — the price of Philippines copra delivered to European ports — has more than doubled since the middle of 1986 and is usually more than 50 per cent up on what it was early last year.

In mid-1986, the world copra price hit a low of less than $A140 a tonne, but has now passed $390 a tonne. The improvement is welcome news for Pacific island nation copra growers, who have been hit by the poor prices of the past two years.

However, the world price is still well below the more than $600 a tonne it reached in 1984.

□ LINK BETWEEN COUNTRIES

THE Indonesian airline, Garuda, and the Fiji international carrier, Air Pacific, are to conduct a joint survey on possible services between the two countries. Air Pacific's chief executive, Mr John Schaap, said the survey was likely to be made this month.

Fiji has been strengthening trade ties with Indonesia since the cooling of relations with traditional partners Australia and New Zealand since the coups last year.

Australia's overseas airline, Qantas, is a 19 per cent shareholder in Air Pacific and has provided managerial services for the Fiji airline since April 1985.

□ FIJI RESORT IN RECEIVERSHIP

THE BANK of New Zealand has appointed receivers for Castaway Resorts Fiji Ltd, an arm of the Pacific Sun Hotels Ltd group. The group, registered in Nassau (Bahamas) was suspended from the NZ Stock Exchange before Christmas.

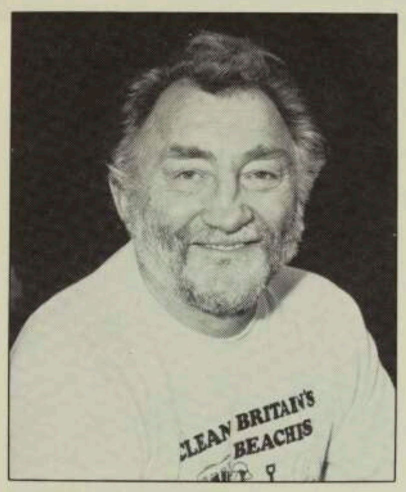
□ WARNING ON DRIED COCONUT

DESICCATED coconut from Singapore being sold in New Zealand could contain *Salmonella* bacteria, a cause of food poisoning, the NZ Health Department chief scientist has warned. The department recently seized a shipment at Christchurch after it was found to contain two types of *Salmonella*: earlier reports of illness came from Melbourne.

In NZ, chief scientist Jim Fraser said the shipment would be returned to Singapore — if authorities there allowed it — but would first have to be turned into oil for non-human consumption.

□ BELLAMY SLAMS JAPAN

LEADING BRITISH botanist Professor David Bellamy said Japan was posing the greatest threat to the forests of the Pacific, and that Australia and New Zealand were



allowing this to happen. He said Japan was using these forests to produce low grade products such as woodchips and paper pulp, then turning them into value-added products in Japan.

Professor Bellamy said Japan has a strong domestic conservation movement and wouldn't dream of logging its own forests using the techniques it employs in developing countries.

Professor Bellamy says Australia and New Zealand have an immense role to play in protecting the region's forests from exploitation. Japan must start to pay a fair price for the region's timber and take an active part in the management and re-afforestation of logged areas.

□ HOME-GROWN INSURANCE

FIJI'S PRIME Minister, Ratu Sir Kamisese Mara, opened the first Fiji-owned insurance company, Dominion Insurance Limited. The company is jointly owned by Flour Mills of Fiji and a Suva businessman, Mr Hari Punja.

□ FIJI TOURIST BID

FIJI'S HOTEL operators have moved to boost the country's tourist trade. One proposal is for a direct air service between Los Angeles and Nadi airport by Fiji's international carrier, Air Pacific. Fiji's Hotel Association believes this is the only way to gain some of the North American market.

The association has asked Fiji's Tourism and Civil Aviation Minister, Mr Pickering, to call a meeting of tourist industry representatives to discuss a number of proposals.

□ VANUATU ALTERS EXCHANGE

VANUATU is changing the basis of its exchange rate to reduce speculation. For the past six years the value of Vanuatu's currency, the Vatu, has been linked to an international measure known as Special Drawing Rights.

Finance Minister Mr Sela Molisa said that during that time, the value of the Vatu had been lowered twice and raised once. But this had encouraged speculation which, in turn, had badly affected the availability of cash in Vanuatu.

Mr Molisa said the new arrangement was to link the Vatu with a group of foreign currencies that would not be named, to avoid speculation in future. He added that the new move should also help the country's Central Bank control the currency's value more effectively. □

□ HEALTH FOR THE ISLANDS

AN AUSTRALIAN company has developed a unique solution to the problem of storing vaccines in remote locations. Bob McKnight (Trading) Ltd is marketing a portable solar-powered vaccine refrigerator/freezer designed specifically for use in rural health centres where mains power is not available.

Launched at the World Solar Congress in Germany and in Papua New Guinea, the Solarwatt Vac-Pak vaccine fridge/freezer has generated worldwide interest. "While the concept of using solar power for this application is not new," says company director Mr Duncan MacLean, "our product is unique in terms of its portability, practicality and low maintenance."

The Solarwatt Vac-Pak system includes a solar array and a regulator that ensures the battery is never overcharged. The Vak-Pak unit is constructed of marine grade aluminium and is designed to be virtually maintenance-free for at least five years.

The system breaks down into component packages of no more than 40kg each, making it easy to transport on small aircraft and boats.

SPECIAL REPORT

Making Money

Your Guide To Pacific Business Opportunities

By Robin Bromby

KIRIBATI has a range of tax and other incentives to attract the foreign investor ... but no major companies have moved into Kiribati to take advantage of them. Fiji, desperately trying to repair the damage to business confidence caused by the coups, has set up tax free zones for export industries. American Samoa is advertising its access to the United States market.

Yet, on the face of it, investment in the South Pacific holds few attractions: the internal markets are small, often minute; skilled labour is in short supply; infrastructure is poor (or simply non-existent) and then there is the distance — and cost — involved in travelling to some of the smaller territories.

For all that, however, it is possible to identify real business prospects in most of the territories.

At the head of the list is Papua New Guinea, which is set up to undergo an economic transformation in the next decade with the exploitation of its huge mining, agricultural and timber resources. PNG is probably the only country in the region with a population large enough to encourage major import substitution industries.

Until May, 1987, Fiji would have been regarded as the prime investment spot in the region; its clothing industry, in three and a half years, had gone from nothing to exports worth several million dollars a year $F4.1 million in 1986).

Now, investment has stopped. Businessmen want to wait and see what happens and some knowledgeable observers believe it may be 10 years before Fiji becomes a safe investment again, though tourism is already picking up and will continue, provided there is no further trouble.

What is particularly worrying as far as Fiji is concerned is that it is losing much of its middle management as Indians leave. There are also indications that manufacturers are reluctant to invest in replacement plant, which will have long-term effects on the quality of Fijian products.

Other territories have limited options. Tourism stands above all others as the industry that offers these countries a way out of their dependence on aid. But it will take more than just building hotels. Air services will need to be improved and natural advantages exploited: on one small island in the western Solomon Islands, for example, the Gizo Hotel in the middle of a lagoon attracts tourists who enjoy diving for underwater relics from World War II.

The second major potential is fishing. Several island states now earn some income from licensing foreign boats, but their actual participation in the industry is limited. Under a variety of incentive packages, foreign companies could establish processing plants close to the rich seafood resources of the southern Pacific ocean.

A few Pacific nations have little to offer investors: Nauru, with its own investments abroad, has little interest in attracting foreign companies — and even if they were interested there is little opportunity. In French Polynesia, the demoralisation of the French community and the departure of many makes for a depressed investment climate. New Caledonia does offer some tourism opportunities, but local law makes it necessary to have French partners and have the project cleared in Paris. From the point of view of Australian and New Zealand companies, Micronesia is too far away and too expensive in terms of travel; and even then there are built-in disadvantages, with just 75,000 people spread over 800 square kilometres of ocean.

With the exception, again, of PNG, South Pacific markets are too small for any company to set up its own distribution for imported products. The only companies that can afford to be distributors are the major trading companies such as Burns Philp, which handles a staggering variety of both exports and imports.

The strategy, rather, is to use the low labour costs of the islands and the financial incentives they offer to cater to the huge (by regional standards) Australian and New Zealand markets, either in providing holidays or producing goods that qualify for duty-free entry under Sparteca or other agreements.

PAPUA NEW GUINEA

IF ALL the promises held for Papua New Guinea come true, the nation will undergo an economic transformation in the next decade: one trading bank has predicted a 5.9 per cent real growth in GDP in 1989 alone.

Significant business opportunities exist: in mining, forestry, tourism, fishing and manufacturing. But 85 per cent of the population is still engaged in subsistence farming and it is only when agriculture moves into the cash cropping area that there will be an explosion in consumer demand. The Bank of PNG recently reported that a good coffee harvest and high bounty payments in the Highlands led to a burst of consumer spending that continued well into 1987.

The Government is placing heavy emphasis on rural development — both to raise living standards in the country to stop the drift to the cities, and to cushion the economy from falls in mineral prices. There has been much less emphasis on manufacturing, though there is great scope for import substitution. The main problem in encouraging secondary industry remains the shortage of skilled labour.

PNG's economic future will, however, revolve around its mining. Gold contributed 46.3 per cent to total exports in 1987, with copper expected to make an increasing contribution to exports over the next few years.

There is talk of PNG producing more gold than Australia by the year 2000. There are several new projects that will help lift gold production — the Midima mine, which is already ready to come on-stream; the Lihir mine, which could begin production in 1991 if feasibility studies prove positive; and studies of the Porgera gold mine are almost complete.

Oil prospecting is the next great hope for PNG, but many other minerals may exist in economic quantities, among them chromium, nickel, lead, silver, mercury and manganese.

Manufacturing has been relatively neglected (in 1985 manufactures accounted for just 10.8 per cent of exports) while the dream of a mineral bonanza and rural reconstruction has been high on the Government agenda. A white paper on manufacturing was issued in 1984 and there are plant installation incentives for foreign investors.

A few companies have initiated local manufacture in recent years — a paint factory and foundry are examples — and there has been talk of setting up an industrial zone. Skilled workers, who are in short supply, are paid about $A100 a week and unskilled workers about $A70; competitive even with wages in the major East Asian economies. But most skills still have to be imported in the form of expatriate workers.

Nevertheless, with a population of more than 3.5 million, PNG is a sizeable market for consumer products: opportunities are good for those serving a localised market with a strong continuing demand, such as food and beverage manufacture.

The Pactra and Sparteca agreements provide for largely free access of PNG products into Australia and New Zealand — and if PNG pulls off its attempt to gain full membership of Asean, the whole picture will change.

As Asian timber producers reduce exports after massive depletion of their resources, PNG is poised for a rapid increase in production. About 40 million hectares are forested and about eight million hectares (estimated to contain more than 400 million cubic metres of commercial timber species) available for immediate development. Exports of forest products exceeded K91 million in 1985 — Japan took logs and woodchips and Australia and Canada veneers, with Australia and New Zealand being the largest market for lumber.

It has been estimated that PNG's fishery resources could yield up to half a million tonnes each year, though fish exports in 1986 amounted to just over 2000 tonnes. Japan had a fishing agreement with PNG, but this was not renewed after a disagreement over the price to be fixed and apart from US tuna fishing, fishing remains at a low level of activity. There is a huge lobster resource in the Gulf of Papua, and it has been estimated by the Government that 180,000 tonnes of skipjack tuna can be harvested each year without depleting the stock. Prawns and barramundi are also present in commercial quantities.

The PNG Government will provide incentives to companies setting up processing plants on the coasts, and wants to see a domestic fleet established. It is an obvious area for foreign investment and, unlike much of the timber and minerals of the country, is not located in regions of difficult terrain.

Tourism is untapped, largely because of the high cost of flying to and within the country. But international air services are improving: Qantas and Air Nuigini run frequent flights from Australia and Air Nuigini also flies to Singapore and Manila. Continental has established a service to Port Moresby from Honolulu via Guam.

Opposite: Shipping firms are increasingly threatened by fast air cargo services. Top: Rich mineral resources contribute a large slice of PNG's revenue . . . Above: . . . but cultural and development problems have still to be solved.

Because of high air fares and the cost of servicing tourists (all food and drink, for example, must be flown to the resorts), it ▶

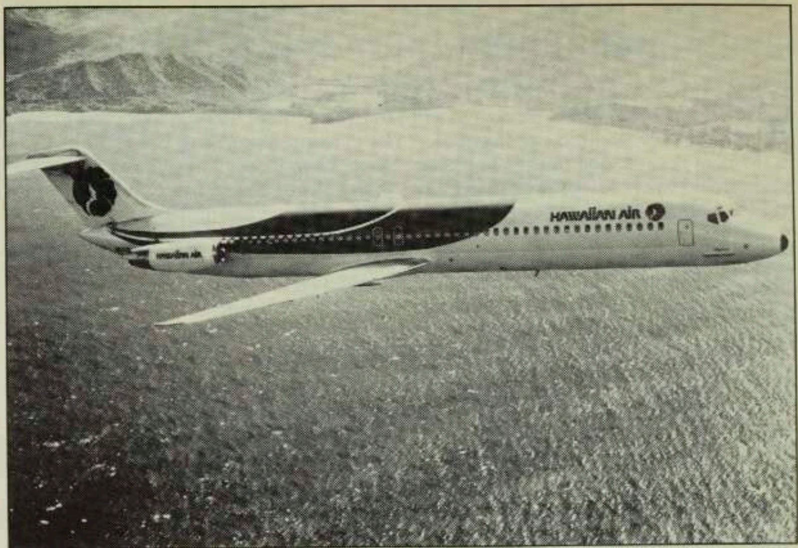
SPECIAL REPORT

◀ is not expected that PNG will be able to compete with Bali or Fiji for the low-budget Australian and New Zealand traveller, but efforts will be made to attract well-heeled US and Japanese tourists.

Prime Minister Wingti has made it clear he wants more emphasis on trade and investment — and less on aid — in the country's relationship with Australia. While Australia supplies more than 40 per cent of PNG's imports, it takes only about 14 per cent of its exports: the Australian market could take more coffee, rubber and cocoa, as well as plough money back into PNG to develop all its resources.

There are six major trading banks in PNG, including Westpac, ANZ, Nuigini-Lloyd and Indosuez Nuigini. There are four finance companies and one merchant bank and several international accounting firms maintain offices.

While the overall picture for PNG is most promising, the country does have to overcome some fairly daunting hurdles: long lead times involved in mineral and other development; challenging terrain and climate; absence of transport infrastructure with air and sea still the main transport routes; a shortage of skilled native labour; and a bureaucratic response to dealings with foreign companies. □



Despite a stormy 1987, Hawaiian Air is now the region's top airline.

HAWAII

THE PAST YEAR has seen a major expansion of aviation in the South Pacific, but nothing has quite matched the explosion in the operation of Hawaiian Airlines, which now offers services to seven destinations out of Honolulu.

At the beginning of 1987 the carrier began the first Apia-Honolulu direct service; in March it announced its application to fly into Papeete, Auckland and Rarotonga; in September it gained fifth freedom rights between Rarotonga and Tahiti and, in January 1988, inaugurated its Sydney-Honolulu service via Pago Pago.

The new services have plugged many of the gaps that have hampered inter-island travel in the past. The year also saw, among other innovations, Continental open a Guam-Port Moresby service, Air Nuigini a twice-weekly service to Singapore, Tonga upgrading its airport with the aim of handling 747s and Thai beginning a Bangkok-Auckland run with New Zealand rights to fly on to two other points in the Pacific (though Thai has now gone cold on Nadi as one of them).

"In the long term we see ourselves as the South Pacific specialist airline," Hawaiian's Australian sales director, Gillian Harman, says. The carrier flies to Honolulu from five US west coast cities and from Alaska, a traffic it hopes will provide plenty of business for its South Pacific services.

The extent to which regional air services have proliferated in recent years is exemplified by Apia, an airport serving a population of 161,000, which now has four international airlines using it — Air New Zealand, Air Pacific, Polynesian, as well as Hawaiian.

While Hawaiian is planning 1988 as a year of consolidation after such extraordinary route growth, it does have tentative plans for further expansion: taking up its right to a second weekly flight out of Sydney, negotiating with the Japanese for a Tokyo-Honolulu flight, and, further in the future, services into Nadi.

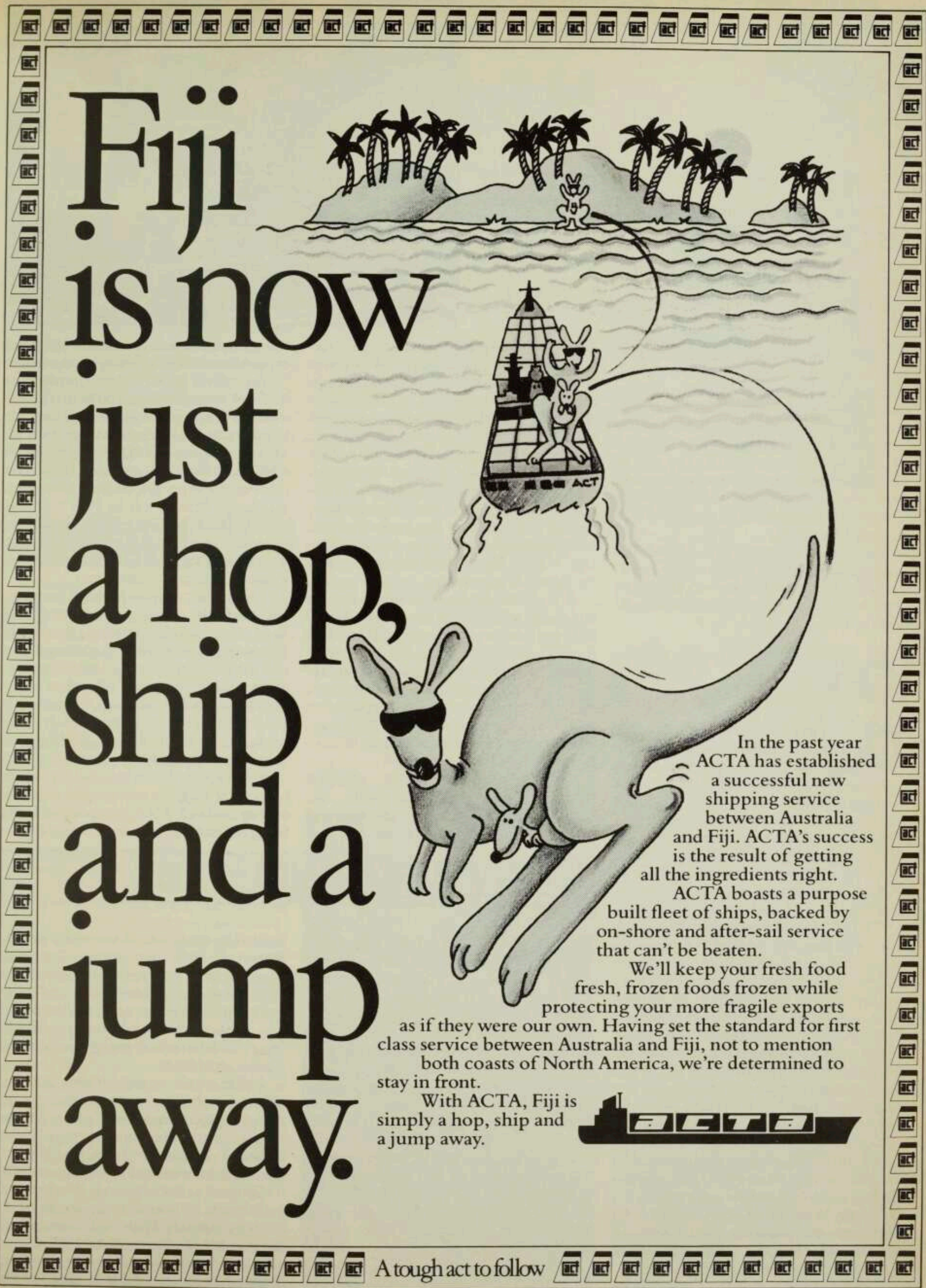
The airline uses L1001 Tristars for its Honolulu-US runs, but sticks with refurbished DC8 aircraft for the Pacific. These have 16 first class and 194 economy seats, with in-flight entertainment. Hawaiian's route explosion is partly at the expense of the hapless South Pacific Island Airways (SPIA), though Harman says the company has had Australia and New Zealand in its sights for a long time (Australian rights were granted within 60 days of the application). SPIA, which operated Boeing 707s from Honolulu to Rarotonga, Pago Pago, Papeete, Nuku'alofa and Auckland, ran foul of US civil aviation authorities on safety and financial grounds. The emergency rights granted to Hawaiian to fill the vacuum left by SPIA gave it the base it needed to secure air rights for Sydney and Auckland.

Not that Hawaiian has not had its hiccups. Hawaiian property developer Chris Hemmeter (who made his fortune building resorts such as the Hyatt Regency in Honolulu and the outer islands) thought he had clinched a deal to buy the airline when the sharemarket all but collapsed in October 1987. He had offered $US50 for each Hawaiian share, quoted on the exchange before the crash for $30, making the deal worth about $100 million. But he was then unable to get the backing he needed to meet the January deadline.

The company remains in the hands of Hawaiian's chairman, John H Magoon, who holds 56 per cent of the stock, and President Paul J Finazzo, another significant stock holder. Magoon, now 72, had made it clear he was interested in selling only to a buyer who was based in the island group.

Hawaiian started in 1929 flying eight-seater Sikorsky amphibians between Honolulu and the outer islands. It graduated to DC3s in 1941 and played a major role in inter-island transport during the war. It was not until 1984 that Hawaiian Airlines began international services with three DC8s running to Pago Pago and Nuku'alofa. For the past few years the airline has clearly been anxious to break out of Pago Pago in American Samoa as its southern destination in the Pacific: while the US territory provided passengers from American Samoa to the mainland, and transported those who worked the fishing boats out of Pago Pago, the territory was hardly a tourist paradise.

Pan Am, Continental and American Airlines all tried routing via Pago Pago (and there have been reports that Continental is planning to try again). While the place has great natural beauty, there was not a great deal for the tourist to do. The town itself was down-at-heel, the accommodation limited (only one hotel is regarded as up to international standards) ▶


Fiji is now just a hop, ship and a jump away.
ACT
In the past year ACTA has established a successful new shipping service between Australia and Fiji. ACTA's success is the result of getting all the ingredients right.
ACTA boasts a purpose built fleet of ships, backed by on-shore and after-sail service that can't be beaten.
We'll keep your fresh food fresh, frozen foods frozen while protecting your more fragile exports as if they were our own. Having set the standard for first class service between Australia and Fiji, not to mention both coasts of North America, we're determined to stay in front.
With ACTA, Fiji is simply a hop, ship and a jump away.
acta
A tough act to follow

SPECIAL REPORT

◀and those airlines flew on only to Auckland or Sydney.

That is where Hawaiian is different. From Pago Pago, the American tourist can now fly to Apia, Nuku'alofa, Papeete and Rarotonga. Pago Pago has a way to go yet before it rivals Nadi as the airline hub of the Pacific, but it is clearly back on the airline map.

Hawaiian now has the ability to offer flights to Australia and New Zealand as well as side trips to the islands (reservations for the Cook Islands have risen 70 per cent). Meanwhile, Australians and New Zealanders have been quick to take up the introductory cheap fares — $A699 out of Sydney to Honolulu return. The use of older, narrow-bodied jets does not seem to have met any consumer resistance, says Gillian Harman; even first class bookings are good.

As more of the states of the South Pacific compete for the tourist dollar — especially the US dollar — Hawaiian Airlines is clearly a force to be reckoned with in the region.

Tourism in Fiji has borne the brunt of international uncertainty over the Republic's future.

FIJI

DURING the period of economic restraint following the second military coup, Fiji's appeal as an export market has been severely diminished. Although figures are not yet available, purchases of foodstuffs and household furniture — which account for a large part of Australian and New Zealand exports to Fiji — have dropped markedly as the population husbands its resources in anticipation of lower living standards.

The call-up of reserves to the army during the constitutional crisis mopped up some part of the workforce, but unemployment is certain to remain high until the economy recovers and the tourists return. The Fijian Government's economic policy will continue to promote the building of manufacturing plants for both export and import substitution. Late last year, tax-free zones were announced: any enterprise exporting 95 per cent of its production will be designated a tax-free factory (as will companies that re-export or supply exporting plants to the extent of 95 per cent of their production) and will pay no excise or customs on equipment, no corporate taxes for 13 years, no taxes on dividends and royalties paid abroad, a preferential electicity tariff and other concessions.

It is the garment industry that has been Fiji's fastest-growing manufacturing sector, and until the first quarter of 1987 (the latest figures available) it was doubling its exports every six months, accounting for about a third of manufactured exports. Most of the joint ventures in the garment industry involve Australian companies, and the Australian Stafford Group recently announced it would acquire Narotam Garments of Suva. The garment industry is based on the towns of Suva, Nadi and Lautoka and has taken advantage of duty-free entry to Australia under the Sparteca agreement.

Fiji offers clothing manufacturers the advantage of low wage levels from $F1.13 to $2 per hour depending on skill) and high quality seamstress work. For the foreign investor Fiji has the additional advantage that a high proportion of its 715,000 people speak English. Apart from temporary union bans in Australia after the coups, industry and exporters were largely unaffected by the political turmoil.

Other exports expected to grow are fresh fruit and vegetables, timber and sugar, while the barely developed seafood industry has huge potential. Several Australian companies are now investigating exploitation of Fiji's fishing resources.

For all the talk of greater links with ASEAN nations, Fiji's trade in the immediate future will remain with its traditional trading partners. Australia leads the import total in Fiji ($F166.5 million in 1986), with New Zealand and Japan as the other major suppliers: because of its sugar purchases, Britain was in 1986 Fiji's biggest customer, buying more than twice the value of exports than the next on the list, Australia. Then followed Malaysia, New Zealand and the United States.

The key to winning in the Fijian market, however, is being in on the ground floor. There is a clear trend to government discouragement of imports and a building of Fiji's economic base, so major concessions are already being offered to enterprises prepared to establish themselves in the islands. Foreign companies are now exploring for minerals — including gold, copper and manganese.

Fiji is a hub of international air routes, has regular shipping services and the Bank of New Zealand, ANZ, Westpac and Hong Kong & Shanghai maintain branches.

NEW CALEDONIA

WHILE France has lost a great deal of its share of imports into New Caledonia, it has been more successful in controlling investments by its Pacific competitors. Major projects involving investment from non-EEC countries have to be processed both in Noumea and Paris — unless these projects have some French participation, in which case approval is much more readily obtained. The usual requirement is for 50 per cent French ownership.

France once supplied more than half of the territory's needs; this has diminished to about a third. The major benefactor of the change is Australia, which sells about $A50 million worth of goods each year to New Caledonia, mostly in the form of food.

The major industry is nickel, on which the territory's considerable wealth has been built. The main island has some natural resources other than mining, but these have not been fully realised: more than a fifth of the total land area is covered in forest, but milling is now on a small scale and any development would be impeded by New Caledonia's growing number of Kanak separatists.

Fishing is still on a small scale, and past efforts to develop capacity for anything more than local needs have failed: even one recent attempt that enjoyed considerable financial assistance from the French Government was unable to make a profit.

Tourism is the sole area in which the authorities in Noumea are receptive to foreign proposals. With continuing falls in the number of tourists — in 1985, for example, Australian tourist numbers dropped to about a fifth of those of the previous year — Australian and other investors became wary. One Melbourne company pulled out of the Tiare Hotel project, a multi-million dollar development between Noumea and Tontouta airport: the project is still awaiting a major investor. About $A10 million has already been spent by the local French partner, and a $A20 million French Government loan is available, but still no outside partner has been signed up.

New Caledonia is seen as politcally unstable and events in Fiji and Vanuatu have combined to make hotel development a much more certain prospect on the Queensland coast.

The strength of the franc against both the Australian and New Zealand dollars has made New Caledonia an expensive place to holiday for people from these Pacific neighbours, with the result that developers and business people in Noumea are tending to look to the US and Japan for both tourist investment and tourists themselves, though the most convenient air links are with Australia and New Zealand.

VANUATU

DECISIONS by the Government of Vanuatu to sign a fishing agreement with the Soviet Union and to enter into a friendly relationship with Libya have both worked to diminish the country's appeal as a finance centre and tourist destination. It is understood that in January (normally one of the top months for tourism in Vanuatu) this year some of the hotels around Port Vila had occupancy rates of only 50 per cent.

The coups in Fiji have diverted tourist business to Vanuatu, but that is expected to be a temporary benefit. Holidaying in Vila is not made more attractive by the fact that Ansett and Air Vanuatu each operate only one return flight a week from Sydney, both at the weekend: Air Nuigini flights from Port Moresby or the Air Pacific service from Fiji are not important in tourist industry terms. Furthermore, while Fiji is a shopping mecca for Australian and New Zealand tourists, Vanuatu's duty-free prices are often higher than those at Sydney Airport.

Reports suggest that a lack of confidence in the Vanuatu tourist industry has led to an unwillingness to invest in new developments or, in many cases, to maintain existing facilities to the highest standards.

Real economic growth in this nation of 130,000 people is expected to lag. Real GDP growth was predicted to have grown by about two per cent in 1986 after falling the year before. Estimated GDP in 1986 was $US128 million; exports were worth $US14.4 million, with imports of $US57.6 million. While the nation imports many products (alcohol, tobacco, petroleum and wheat) from Australia, trade in the other direction is negligible.

Vanuatu's largest customer is Holland, followed by Belgium, Japan and France; its main domestic imports in 1986 were copra, beef, sawn timber and cocoa, while its substantial sales of processed fish are classified as a re-export.

The country is expected to rely heavily on foreign aid for the forseeable future. Skilled labour is in short supply. There is practically no industrial infrastructure, but there are some opportunities. The Japanese have been involved in beef and fish processing, and there have been signs of revived Japanese interest in investing in Vanuatu.

There is considerable room for development of the beef industry on the island of Espiritu Santo — but this would involve clearing much of the land that has reverted to native growth since independence, and the provision of greatly increased cooler capacity to store meat for export.

If the country is able to project a more acceptable political image, tourism could revive. Its closeness to Australia is a major advantage, as would be any future direct service from New Zealand.

One success story has been Vanuatu's finance centre. It was set up by the colonial condominium administration and initially prospered; then the Santo rebellion at the time of independence undermined the confidence of overseas companies and that confidence was finally restored only to be shaken again by the Russian and Libyan connections.

Port Vila offers a pure tax-haven: extensive secrecy provisions, no personal or corporate income taxes, no estate or gift duties, no capital gains taxes, no exchange controls and no participation in tax treaties. More than 1000 companies are incorporated there, served by six international banks (ANZ, Barclays, Hong Kong & Shanghai, Westpac, Indosuez Vanuatu and Gutzwiller Kurz Burgener), five international accountancy firms, six trust companies and six law firms. The success of the venture is shown by the fact that it provides jobs for 350 local people.

Vanuatu: plagued by a lagging economy and an image problem.

Vanuatu also provides a flag-of-convenience shipping registry; this has not attracted as many ship owners as was expected, largely due to continued stability in Liberia and Panama, the world's leading operators of open shipping registers.

TONGA

TONGA has never been a cash-conscious society, and most Tongans live a subsistence life. More than half the adult population is unemployed — and many of those who work the land do so only a few days a week. GNP is about $115 per person.

The Government of King Tupou IV is concentrating on economic activity that will not markedly disrupt the Tongan lifestyle. Apart from some agreements with foreign fishermen, such as US tuna boat owners, Tonga has been reluctant to allow commercial enterprises to exploit its seas for fear that fish stocks would be depleted to a level below that necessary for Tonga's own needs.

Economic activity is taking three main forms, all of which come within the guidelines: a small industrial estate on Nuku'alofa, increased investment in tourism and the establishment of Nuku'alofa as a world banking operation.

The third development is the most intriguing. Legislation has been passed to permit four foreign banks to establish themselves in Tonga, allowing foreign corporations and individuals to use Tonga for tax minimisation purposes along the lines of the banking havens of the Caribbean. No Tongan nationals use the system: they will continue to use the Bank of Tonga (owned jointly by the Government, Bank of New Zealand, the Bank of Hawaii, and Westpac), which has a local monopoly.

Tonga's Honorary Consul-General in Sydney, Mr William Waterhouse, has been involved in drafting the new law, and is now promoting the idea of Tonga as another Leichtenstein, Switzerland or Cayman Island. The new banks will offer complete secrecy — Tongan law will specify the disclosing of information about depositors as a criminal offence — and a tax holiday.

The problem with business operations in Tonga, as with its role as a tourist destination, is the poor air service. To get to Tonga at the moment, travellers have to spend a night in either Fiji or Auckland, or from Pago Pago by Hawaiian Airlines. ▶

SPECIAL REPORT

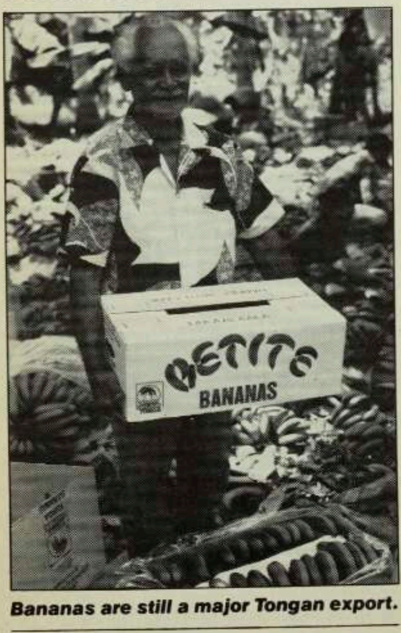
◀The airport, which can now take 707 and 767 aircraft, is being lengthened and strengthened for 747s.

In the past, Tonga has not been able to offer the number of tourist beds that would make it any threat to Fiji. But given the disruptions in Fiji, New Caledonia and Tahiti, Tonga is looking for foreign investors to build more hotels. The Government will be selling the country to investors on the basis of being four hours from Sydney (once direct flights come into existence); no award wages; no civil disruptions and a climate that varies little throughout the year. New companies setting up also qualify for a tax holiday, while some finance is available through the Tongan Development Bank.

On the industrial estate, the Tongan Government already provides buildings and services to companies: a range of products is now being manufactured there, including woollen jumpers and a black coral factory, while a Swedish company is a partner in a new brewery.

Because of the small size of the cash economy (the Government's annual budget amounts to about $A16 million) there is not a great demand for imported products: major imports are foodstuffs from Australia and New Zealand. Tonga's major exports are copra and bananas, with New Zealand being the largest customer.

Tonga wants foreign investment, but it wants neither smokestack industries nor to become another Hawaii.



Bananas are still a major Tongan export.

Solomon Islands: surrounded by fish, and wary of business sharks.

SOLOMON ISLANDS

UNTIL Cyclone Namu struck in May, 1986, the Solomon Islands managed an annual trade surplus. The estimated figures for 1985 show imports of $S64.5 million and exports of $S68 million: growth exports had been fish, logs and copra.

According to the latest report from the National Bank of Solomon Islands, depressed world commodity prices coupled with damage sustained by copra and palm oil plantations in the cyclone have placed the economy under severe pressure. Closure of the country's largest logging operation and the resultant loss of valuable foreign exchange were also major setbacks.

The Central Bank of Solomon Islands has tightened private sector domestic credit and moved to reduce surplus liquidity of the commercial banks, and a sustained level of consumer spending has placed pressure on foreign reserves.

The cyclone exacerbated the country's foreign debt. The Solomon Islands dollar has depreciated against the US dollar, resulting in a marked increase in the foreign debt which, with the fall in imports, has climbed higher than the 1985 level of $US80 million.

The main opportunities for foreign investment in the Solomon Islands are fishing, tourism and import substitution; the latter for the nation's 250,000 people. The per capita GDP is $A650. Fishing accounted for 29 per cent of exports in 1985; the Solomons is in the middle of the best tuna fishing waters in the world. The Solomon Taiyo Commercial Tuna Fishery was set up in 1982 and exports to Japan, Solomon Islands' biggest export market. The Government is now engaged in a venture with a West Australian company to build three trawlers: official policy is to develop canneries in the main islands.

The Government has recently adopted a more positive attitude to tourism, and the National Bank considers this industry will make a significant contribution to the balance of payments in the years to come. Tourism has, so far, been hampered by lack of accommodation and poor airlinks; most tourists have to come by way of Brisbane or Port Moresby.

The Government policy is to concentrate on small-scale, specialist tourist development. Many visitors come from Japan and the United States and the ex-servicemen and their families visiting Guadalcanal and other major battle sites of World War II. The islands are rich in war relics, and the many sunken ships, together with unpolluted sea water, make the islands ideal for scuba divers. The main opportunities for investors, then, would be to develop resorts close to battle relics.

Although the country's rice mill was closed after the cyclone, there is scope for import substitution industries, especially in food and beverage processing. Two possibilities identified by the South Pacific Trade Commission are plants for reconstituting milk (combining imported powder with local milk) and canning fruit juice.

The Solomon Islands' position on the Rim of Fire suggests that mineral exports could, one day, transform the economy: there are believed to be viable quantities of bauxite and gold.

While the Solomon Islands can offer reasonable political stability, the administration has been sensitive to what it has seen as foreign businessmen being interested only in exploiting the country's national resources rather than looking to the interests of the people's long-term future. It is very strict in watching that foreigners observe the terms of their work permits.

Finally, there is a continuing problem for investors in the absence of an educated management work force.

WESTERN SAMOA

WITH a population of 161,000, Western Samoa offers some opportunities for small import substitution industries (paint and coconut cream are two cited by the South Pacific Trade Commission), and it already has one enterprise manufacturing knitwear parts that are sent to New Zealand for final assembly into garments.

The country also has considerable tourist potential. The two hotels considered of international standard, the fabled Aggie Grey's and the Tusitala, are both in central Apia, and airline experts feel the country needs hotels on beachfronts.

There are certainly good air services to the capital: Hawaiian fron Pago Pago, Polynesian from Sydney and Aukland, Air New Zealand from Auckland and Air Pacific from Fiji. The one great impediment is a reluctance on the part of many Samoans to go down the tourist path. There is widespread concern that any major increase in tourism would disrupt the traditional and religious life of the people.

A more minor problem is that there is no great tourist infrastructure; the appeal of the country is its considerable natural beauty, which attracts the mature traveller rather than those holidaymakers who seek plenty of diversions.

For the potential developer there are beautiful beach areas on the southern side of Upolu (on the opposite side of the island from Apia) and at many locations on Savai'i. The Hawaiian Airlines link from Honolulu via Pago Pago should lead to an upsurge of American visitors, since Samoa is one of the better-known Pacific destinations.

Outside tourism, there are few opportunities for investment. Two thirds of the population is engaged in subsistence agriculture, and the main export commodities are coconut oil, copra, cocoa and taro. The main trading partners are New Zealand, ▶

Tusitala Hotel is one of Western Samoa's greatest tourism drawcards.

SPECIAL REPORT

Australia, West Germany, the United States and American Samoa.

Almost all goods are imported; the 1986 import account of $US47.1 million was four and half times the total earned as exports. There is a $US40 million foreign debt and the Western Samoan Government relies heavily on aid, mainly from Australia and New Zealand. Remittances from Western Samoans living abroad, mainly in New Zealand, also contribute significantly to the nation's economy ($US25 million in 1985).

Western Samoa provides incentives for foreign investors. There is a five-year tax holiday for new projects to process agricultural products, factories hotels, fisheries afforestation, film production and related industries. Waiving of tariffs and duties is also available.

The two trading banks are the Bank of Western Samoa (jointly owned by the Government and the Bank of New Zealand) and the Pacific Commercial Bank (the Bank of Hawaii with Westpac).

AMERICAN SAMOA

AMERICAN Samoa has the jump on all other South Pacific territories in one important regard: its access to the massive United States market. Goods have duty- and quota-free entry into the mainland provided 30 per cent of their value has been added in American Samoa.

The territory's Government also offers subsidised business land sites, subsidised worker training, access to US investment capital, as well as a weekly shipping service to the US West Coast. Investors can qualify for 10-year tax holidays.

American Samoa has 36,000 people, most of whom live on the main island of Tutuila. The major industry in Pago Pago is its canneries, which process the catch from US tuna boats that spread out across the South Pacific. If the territory's campaign to attract industry is successful, it could become a centre for processing products brought from other nations in order to gain access to the American consumer.

With the return of regular air services to Pago Pago, tourism is on the climb again (in 1981, for example, only 8500 visitors went to American Samoa) and the main hotel, the Rainmaker, has had a much-needed restoration. If visitor flow is to grow there will have to be investment both in more hotels and in tourist attractions: after one has admired the natural beauty of American Samoa, there is not a great deal left to do.

Until more is done to attract visitors Pago Pago seems certain to remain more a transit point than a destination in its own right. □

Cargo must be loaded and unloaded the old-fashioned way in many Pacific ports.

TUVALU

TUVALU can hardly be considered at the forefront of investment prospects: the most recent census showed it had 8229 people on nine islands. Nevertheless, the Government is attempting to reduce the country's reliance on foreign aid. In June, 1987, the Tuvalu Trust Fund was established, with Westpac as fund manager. It is not intended to replace aid, but to support the nation's recurrent revenue base. Australia, New Zealand and Britain have contributed about $A8 million each, with small contributions from Japan and South Korea. The country will receive the fund's earned income each year.

Commercial fishing may offer Tuvalu some financial security.

The administration is interested in tourist accommodation (a hotel feasibility study has been completed, but an overseas agency for funding is still being sought), import substitution such as printing and service industries.

The problem with any tourist development is the lack of accommodation, space for development (Tuvalu has 308 people per square kilometre), the high cost of getting there and the lack of aircraft capacity: Fiji Air flies three times a week from Suva, while Air Marshall operates once a week to the capital, Funafuti, on its Marshall Islands-Fiji service. Ships call every few weeks.

The country's major exports are copra, stamps and handicrafts, and the per capita share of GDP is $479.

Tuvalu's chances of accumulating sufficient resources to achieve self-sufficiency are therefore extremely remote. The one possibility of substantial economic development is a commercial fishing industry, but this would involve overcoming the problems of poor transport to export markets, lack of storage in the islands and a shortage of baitfish in Tuvalu waters. Agriculture, whose other main products are taro, coconuts and bananas, is hampered by poor soil and shortage of land. The reliance on copra makes the economy highly vulnerable to commodity price fluctuations.

In 1982, imports were valued at $A2.89 million, with exports earning just $A36,766. Australia, Fiji and New Zealand are Tuvalu's main trading partners.

COOK ISLANDS

WITH around 18,000 people, the Cook Islands suffers from the typical Pacific problem: not enough people to sustain ventures that must rely on a local market. In fact, the Cooks have experienced overall population decline as many of their citizens exercise their right to unhindered migration to New Zealand.

Tourism is the most attractive area of investment, especially since airline services have improved: Air New Zealand and Hawaiin Airlines have now been joined by Cook Islands International (operated by Ansett) services from Sydney. Apart from the Rarotongan Hotel, built in 1977, there is a great deal of budget accommodation available on Rarotonga. There is also a good airfield on Aitutaki which offers the prospect of tourist investment on that island. Government policy has been to promote "controlled tourism" to limit the impact on traditional life; the other inhibiting factor is that almost all supplies have to be imported and are thus expensive.

The fishing industry is still at the fledgling stage, though the resources within the country's economic zone are considered to be substantial.

The New Zealand dollar is Cook Islands' legal currency, the main trading bank is the National Bank of New Zealand and the nation depends for most of its trade and aid on New Zealand. In 1984 the trade deficit was $NZ29.7 million, largely funded by aid. About a third of the nation's budget is also supplied by New Zealand cash grants.

The fact that the NZ dollar is considered to be greatly over-valued has hampered export trade to markets other than New Zealand. The production from the Cooks' three garment factories accounted for 41 per cent of exports in 1984, with copra, pawpaw and bananas being the other major items: apart from the clothing companies, manufacturing is limited to fruit canning and handicrafts.

The Cook Islands has also established an offshore financial centre. So far there is one trust company operating there, with a ▶

Despite their isolation, the Cook Islands have healthy links with markets.

◀ few firms of lawyers or accountants. Most companies that have set up in the Vanuatu finance centre have kept a watch on what is happening in Rarotonga, but the latter is hampered by its paucity of finance organisations and poor communications. The planned offshore banking centre in Nuku'alofa, rumours that Fiji is planning a similar move and company tax changes announced in New Zealand all throw doubt on whether the offshore operation in the Cooks will ever become significant.

Gross domestic product per head of population is about $NZ1600, which is high by South Pacific standards.

KIRIBATI

KIRIBATI has a range of investment deals — five years' exemption from income tax, customs duty exemptions and protection from competing imported products — but no company has yet availed itself of these incentives.

The country has development problems enormous even by Pacific standards: its population of 65,000 is spread over no less than eight million square kilometres, and from the capital on Tarawa to Christmas Island on Kiribati's western extreme is more than 3000 kilometres. In 1986, the country imported $A23 million worth of goods and exported $A3 million worth (mainly copra and fish).

In brief, self-sufficiency is almost impossible in the forseeable future; factors in the gloomy picture being the country's geographic isolation and the dispersal of its islands over such a vast tract of ocean, plus the lack of local infrastructure and resources. Apart from exports the main sources of income are tourism, and the licensing of foreign fishing boats.

Kiribati is desperate for foreign investment, and advisers from Westpac have identified its fishing industry as having the greatest economic potential, with tourism also capable of growth. Like Tuvalu, Kiribati suffers from inadequate and expensive air links for any large-scale tourist push. The most popular route to Tarawa is on an Air Nauru 737 via Nauru; Air Tungaru flies to Fiji and Majuro in the Marshall Islands, and operates other routes under charter arrangements. The capital has about 40 hotel rooms in total.

Kiribati has little infrastructure to support its push into the investment and banking world.

The Kiribati Government has recently begun discussions with a European company interested in funding airstrips and hotels for tourists, but arrangements are far from being finalised. Christmas Island has a hotel, which caters mostly to Americans flying in by charter from Honolulu: the main attraction there is fishing, as it is on Tarawa, though there is some traffic from former US servicemen visiting World War II battlegrounds. Sailing and snorkelling are also available.

Another project under discussion is salt production on Christmas Island, but the realisation of this would depend upon subsidised shipping. Commercial fishing remains the real potential given Kiribati's economic zone, with skipjack tuna the main species. The country is receiving royalty payments from the US tuna industry, and has licensed South Korean, Taiwanese and Japanese vessels to fish its waters; the Government is also looking to develop a local tuna fleet and processing facilities.

OFFSHORE

THE FIJIAN Government is believed to be considering establishing a finance centre in Suva with all the provisions of a tax-free haven similar to those operating in Vanuatu, the Cook Islands and several Caribbean islands.

The significance of the Fijian move is that the finance centre would almost surely prosper at the expense of the other island offshore banking systems — especially Vanuatu, which is plagued by poor air links with the outside world and concerns about whether its communication system can keep pace with modern banking needs.

Fijian Prime Minister Ratu Sir Kamisese Mara is to be given a full outline on the finance centre proposal, which has been compiled by a prominent South Pacific business figure. It is understood that Ratu Mara and his cabinet colleagues are friendly toward the idea; the Reserve Bank of Fiji has apparently opposed the idea, but that opposition is weakening.

Last December, the Suva Government announced tax free zones for companies establishing factories producing for export, and the finance centre would be consistent with Fiji's desperate attempt to rebuild the economy. A financial institution in Fiji would have obvious advantages: it is the hub of the airline system of the South Pacific, with regular flights to overseas countries, including Australia, New Zealand and the US. It has a well-developed communications system and commercial infrastructure; Vanuatu, in contrast, has only a couple of fights a week to Australia and its only other significant air connections are to Fiji, Solomon Islands and Port Moresby.

The finance centre in Port Vila offers foreign companies freedom from personal and company tax, capital gains or death duties. There is also a "flag of convenience" shipping register.

In the past, Fiji would have been sensitive to the opinion of its major neighbours, notably Australia, which view these tax havens as depriving their own treasuries of tax. This concern can no longer be considered a major factor in the minds of the Fijian Government. □

USEFUL ADDRESSES

American Samoa
Office of Economic Development and Planning,
American Samoa Government,
Pago Pago 96799.

Cook Islands
PO Box 113, Rarotonga.
Telex: 62006.

Fiji
Fiji Trade and Investment Board,
PO Box 2303, Suva, Republic of Fiji.
Telex: 2355.

Kiribati
Ministry of Trade, Industry and Labour,
PO Box 69, Bairiki, Tarawa.
Cable: MINTIL, Tarawa.

Nauru
Bank of Nauru,
PO Box 289, Civic Centre.
Telex: 33085.

Papua New Guinea
National Investment and Development Authority,
PO Box 5053, Boroko.
Telex: 22123.

Office of Forests,
PO Box 5055, Boroko.
Telex: 22360.

Solomon Islands
Ministry of Trade, Industry and Commerce,
PO Box G26, Honiara.

National Bank of Solomon Islands,
PO Box 37, Honiara.
Fax: 23478.

Tonga
Tonga Development Bank,
PO Box 126, Nuku'alofa.
Telex: 66206.

Tuvalu
Consulate of Tuvalu,
LB 9, Post Office, Clarence Street,
Sydney, NSW, 2000, Australia.
Fax: (02) 262 1797.

Vanuatu
Development Bank,
PO Box 241, Port Vila.
Telex: 1049.

Western Samoa
Development Bank of Western Samoa,
PO Box 1232, Apia.

Pacific Commercial Bank,
PO Box 192, Apia.
Telex: 231.

Maui Loa — Renaissance Man

Ed Rampell profiles the charismatic surfer, artist and Polynesian patriot

THE YEAR 1987 was known in Hawaii as Ho'olako — the Year of the Hawaiian. During this time, Hawaiiana was celebrated across the spectrum on the leadership, legislative, cultural, social, and art fronts. The Aloha State elected its first governor of Polynesian ancestry; with only the stars as its guide, the Hokule'a canoe navigated across the vast reaches of Oceania; and as never before, island arts were honoured and exhibited before wide audiences at official forums. Ho'olako was seen as heralding a Hawaiian renaissance: the re-emergence of the descendants of Hawaii's indigenous inhabitants on centre stage after more than a century of depopulation, neglect, and acculturation.

A leading contender for the role of Renaissance Man of the Hawaiian renaissance is a South Seas surfer and artist who named himself after an island demigod. He is Maui Loa, a tribal chief directly descended from Hawaiian royalty and steeped in the lore of his Polynesian forebears.

Maui is a striking figure, with long flowing hair as golden as the sun his legendary namesake once captured to slow the day's progress. Imbued with the *mana* (cosmic force) of the *mana'o* (traditional wisdom) of his Hawaiian ancestors, Maui has been at the forefront of this revival of native rights and aesthetics.

The charismatic chieftain stimulated a religious renaissance back in the 1970s when he founded the Church of Hawaii Nei. This denomination is based on the pre-contact Polynesian philosophy of *huna*, which stresses and extols the unity of man and nature. The establishment of the church opened the path for islanders' freedom of religion. In 1978, Hawaii Senator Spark Matsunaga succeeded in petitioning the United States Congress to include native Hawaiians in the American Indian Religious Freedom Act as a result of Maui's trailblazing activities.

Maui's influence extended, too, to the legislative field. The Congress also included native Hawaiians in native American programs during the '70s. According to the Hou Hawaiians (the tribal family the young chief leads), this action — initiated by Maui in 1975 — paved the way for more than $US126 million in Federal funding being earmarked for people of Hawaiian ancestry. Affirmative Action programs have been part of this congressional move since the mid-'70s. This year, Senators Daniel Inouye and Matsunaga enhanced these benefits by legislating for the inclusion of Hawaiians in educational and health bills, making additional millions of dollars available to native Hawaiians.

Top: Maui Loa (left) with Coretta King, widow of Martin Luther King, during her Hawaii visit. Above: His art.

Maui's accomplishments on the legal front on behalf of his people are also impressive. The Polynesian chief went straight to the heart of Hawaiians' problems by confronting the residues of the old plantation system that was largely responsible for islanders' displacement and the loss of their ancestral lands. Maui endorsed the Hawaii Land Act, and the US Supreme Court's favourable 1983 ruling on the case quoted from the Amicus Curiae the leader of the Hou had filed.

Maui is now in the process of suing the state regarding its administration of ceded native lands placed in government trust. This US billion-dollar-plus law suit is one of the largest in the history of American jurisprudence.

However, it is as an artist that he is best known. The chief is curator of the Hawaiian Ethnic Art Museum at Sunset Beach on Oahu's north shore. The museum exhibits Oceanic ancestral art as well as Maui's own canvases, paintings that combine ancient and contemporary styles with a Hawaiian flavour and sensibility.

The surfer's images are at once primitive and modern, evoking a lost world of Pacific reveries out of Hawaii's collective unconscious. A Maui Loa original is like a journey to primaeval days, before European explorers, missionaries, whalers, and merchants arrived on the shores of the Sandwich Islands. Whether depicting *heiau* (pagan temples), *alii* (chiefs), or spiritual whales, Maui's pictures aim to bring alive the "Golden Age of Hawaii".

In 1977, Maui recognised US President Jimmy Carter and his human rights policy by presenting the painting *Alii Menehune* (Chief of the Little People) at the White House. The artist also presented the canvas *Malu* (Peace Through Inner Strength) to President Reagan in 1984.

The key to Maui's work is the young leader's retention of that hallmark of the Hawaiian personality, the renowned Aloha Spirit, fountainhead of a *mana* that has charted his path in the courts, churches, legislatures, banks, and galleries. □

The Island Press *Compiled by John Carter*

THE MINISTER for Civil Aviation and Acting Minister for Culture and Tourism, Mr Berghuser, has described as deplorable the lack of publicity and hospitality during the 14-hour stopover by the Russian cruise ship *Maxim Gorky* in Port Moresby on the weekend.

Mr Berghuser said despite its short stop, an effort should have been made for the 600 tourists who had made the effort to see the country.

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

DURING THE week members of the Norfolk Island Police Force cleared a cultivated plot of well established marihuana plants conservatively valued at some $20,000.

Discovery of the plot was due to the community spirit of the owner of the land who, during clearing operations decided to take a walk down his/her valley and came upon the well-grown plants in a sheltered spot quite near the walking track.

There were bags for seed, trays for drying, a spade and shovel and some fertiliser, together with a half-44-gallom drum used for watering.

— From *The Norfolk Islander*.

HA'ANO ISLAND has just four small villages. The largest is Ha'ano village, with 214 residents, according to the latest census. The island has only one vehicle — a motorbike owned by the Health Department, and one public telephone, which stands at the Ha'ano Primary school building, but the people are served by five churches: Free Wesleyan, Free Church of Tonga, Church of Tonga, Seventh Day Adventist, and Mormon.

— From an article in the *Tonga Chronicle* on life on the island of Ha'ano in the Ha'apai Group.

PORT MORESBY'S first baby of the New Year . . . and his mother . . . have set the nurses and doctors to check the record books. For Mrs Dayleen Sylvester, the mother, it was her second baby born on New Year's Day. The first one was born exactly one year earlier, on New Year's Day.

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

A HONIARA court has fined an Australian $400 after he admitted having sexual affairs with two local male partners. The Australian told the court he had forgotten he was in another country when he committed the offences.

— From the *Cook Islands News*, Rarotonga.

GOROKA: A total of K99,503 was raised through the singing of Christmas carols in Australia to build a new office and training complex in Goroka.

The new office and training complex is part of the Christian Institute of Counselling, an ecumenical institute that trains church and government workers in counselling and communication skills.

— From *The Times* of Papua New Guinea.

AS OUTSIDERS in Tonga, we have been worried about the large consumption of beer by the local people and also by the lack of censorship on videos. We have been concerned about these problems here because alcohol and videos are helping to ruin tens of thousands of young lives back in New Zealand. We feel sure that unless the problems are seriously addressed here you may very well have the same problem in future despite Tonga's being a bigger church-attending nation per capita than New Zealand.

— From a letter in the *Tonga Chronicle* from Paul Somerville, leader of the New Zealand, Te Hou Ora-Tokoroa youth group in Tonga to play rugby.

FOUND: A pair of brown ladies shoes . . . at the National Stadium.

— From Laucala Campus Information in the *University of the South Pacific Bulletin*.

A 30-YEAR-OLD man died and another was seriously injured after a dynamite blast at Palakau Village, Mussau Island, in the New Ireland Province.

The dead man was Gordon Uri, and the injured man is Keven Levai.

They were out fishing in a canoe when the incident occurred.

According to police reports, Uri had lit the home-made dynamite and was about to throw it at a school of fish when it exploded, killing him instantly and injuring Levai.

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

Transition

Visiting: The Director of SPEC, Mr Henry Naisali, paid an official visit to Papua New Guinea in January. During his stay in Port Moresby, the Director held discussions with the Prime Minister, Mr Wingti; the Acting Minister for Foreign Affairs and Minister for Finance and Planning, Mr Dwarara; the Acting Secretary for Foreign Affairs, Mr Balagetuna; the Secretary for Trade and Industry, Mr Peipul and officials of the Departments of Civil Aviation and transport.

Mr Naisali also interviewed a number of Papua New Guinea candidates for professional positions within SPEC in Fiji before returning to PSEC Headquarters.

Appointed: Mr Rene Charles Wilson, as Deputy Director (Administration, Finance and Political) of SPEC. Mr Wilson replaces Mr Trevor Sofield, who has returned to the Australian Foreign Service.

Mr Wilson, 40, joined the New Zealand Ministry of Foreign Affairs in 1975 and holds an MA Honours in Political Studies from the University of Auckland. Before becoming Deputy Director of SPEC he was Counsellor and Consul General in the New Zealand Embassy in Jakarta.

Appointed: Chief Executive and Director of British Petroleum Fiji, Mr Paul Manueli, has been chosen to chair the 1988 Fiji Tourism Convention.

Mr Manueli, who was awarded the OBE in 1974, was the former Commander of Fiji's Royal Military Forces and retired from military service in 1979. He has since taken up several directorships, including that of the FTIB, the National Bank of Fiji, Tropik Wood Industries and the Ika Corporation, of which he is chairman., Mr Manueli's military, professional and voluntary services to the community have spanned almost the entire spectrum of career opportunities in Fiji.

This year's convention theme will be "Fiji — The Way Ahead", and will address the problems facing the industry. The convention itself will be staged later than usual, from August 8 to 10.

Pacific Stamp Box *Edited by John Hunter*

SYDPEX 88, the Bicentennial National Stamp Exhibition, will be on from July 30 to August 7. Already several countries have indicated they will be issuing special stamps to commemorate the event: the latest announcement has come from Papua New Guinea, which will issue two stamps and a special post mark on September 1. A special feature of the exhibition will be selections from the Royal Collection of Queen Elizabeth II. The selections include Trinidad, North America and early military mail from the campaigns of European armies in India. The Sydpex 88 committee will be releasing a specially overprinted gutter pair of stamps, to be issued in April.

AUSTRALIA Post is continuing to receive considerable criticism for flooding the market with stamps and philatelic material. Latest criticism is levelled at the increasing number of higher valued stamps being issued: *Australian Stamp Monthly* estimates there are at present eight different $1 stamps available over the counter and between July and November last year 15 different 37c stamps were released. Add to that first-day covers, maximum cards and packs and the average collector is finding a once simple hobby becoming very expensive. The old title "Hobby of Kings" takes on a new meaning since it will soon require a king's ransom to keep up with all of Australia Post's issues. Already collectors have cut down, with many electing to stop collecting Australian material altogether. Some are turning to material from other countries: unless Australia Post changes its issuing policy, philatelic interest in its material will suffer a blow from which it may never recover.

AUSTRALIA POST held its second Archival Sale, which realised more than $420,000; 49 per cent over the estimate. Of a total of 204 lots only four did not sell.

ANOTHER Australian record is being upheld. Present holder of the World Stamp-licking Championship, Mr Ian Thomas, has gone to Japan to uphold his title. Mr Thomas' title is 204 stamps licked in 4 minutes. I hope he has a few glasses of water on hand.

SAMOA issued a se-tenant set of five stamps commemorating the bicentenary of Australia. This is the second set issued by Samoa, and features the postal services of the two countries. Shown is the means of travel for an aerogramme bearing a congratulatory message.

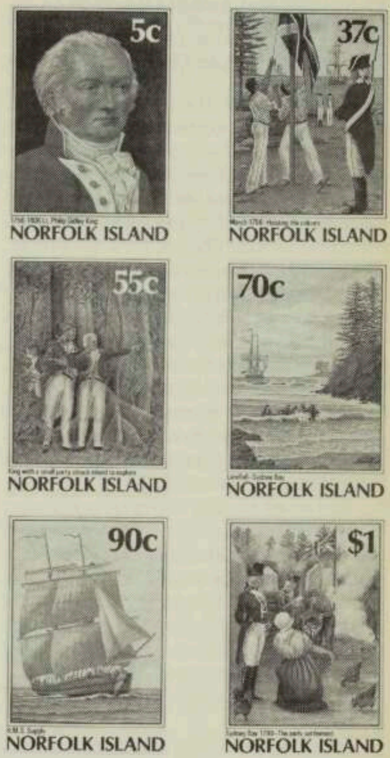
ON FEBRUARY 17 PNG issued a set of four stamps as Part Two of its definitive set featuring ships. Papua New Guinea is to be complimented on its 1987 Year Album: it gets better each year. Year albums are having an effect on philatelic supply-ships. In the past these dealers produced pages each year to house stamps issued by various countries. They have now tried to increase sales by issuing pages containing peculiar variations in the way the stamps were collected: one has dictated the market by producing pages requiring the collector to house special gutter pairs, combinations of rows, blocks etc, but with the issuing of year albums by many countries dealers are seeing a decrease in sales as collectors can now settle for a book, stamps included, showing an example of each stamp in a simple presentation.

ON APRIL 20 New Zealand will issue a $5 definitive stamp featuring the rare Takahe. At last count in 1985 there were 180 takahe in the Fiordland area of the South Island: deer have eaten out many of the plants this bird prefers.

ON MARCH 2 New Zealand issued four stamps celebrating the visual arts in New Zealand; modern interpretations of traditional Maori patterns on the rafters of meeting houses.

TUVALU 15 has announced its 1988 program. February, Living Reef Part Two; May, Red Cross; August, Fungi; October 10th, Anniversary of Independence; November 1, Christmas.

As well as this there will be all the special issues I have criticised already. Publisher of catalogues have great trouble with Tuvalu and have appealed to the country to indicate which recent issues are legal, reprinted, issued for the general public and so on. I wonder, really, if anyone still collects stamps from Tuvalu . . .



Norfolk Island commemorated its foundation with a set of stamps issued on March 4.

SOLOMON ISLANDS issued two se-tenant strips featuring the 10th anniversary of the International Fund for Agricultural Development. The stamps show various aspects of agriculture development and transport of agricultural goods. Designing se-tenant stamps requires care that each stamp when separated presents a whole in itself. Unfortunately, when these stamps are separated the Agricultural Development Fund logo splits in half.

NAURU issued on November 5 a stamp commemorating the centenary of the Nauru Congregational Church. On January 31 four stamps were issued to celebrate Nauru's 20th Anniversary. □

Book Reviews

THROUGH MELANESIAN EYES: An anthology of PNG writing compiled by Ganga Powell. Macmillan Australia.

Reviewed by Susan Simons

T*HROUGH Melanesian Eyes* is an intriguing collection of stories in which the selection and arrangement of pieces allow the stories to play multiple roles. The first important consideration is that the book is designed as a resource for young Papua New Guineans, particularly secondary school students, "... to acquaint them with the writings of their own people". Ganga Powell has thoughtfully selected each piece of writing to represent major literary forms — prose, poetry, fiction and drama.

The selection opens with traditional legends and songs taken from the vast repertoire of Melanesian oral tradition. The little that has been translated and transcribed gives us only the merest glimmer of the continuing vitality and relevance of a body of songs and stories that, in the vernacular, is still the major vehicle for creative expression. The anonymous song of mourning, *My Polupiri Brother*, describes a young widow's pain and loss after the death of her husband in local warfare:

Favoured and skilful hunter what shall I do?
I am tearing my new string bag in which I intended to carry potatoes for you for the first time.
I am in pain and grief as I take off my bridal decorations.
My brother, my brother, to show that I love you even in death,
I am pulling out my hair.
My Polupiri brother, I am hurt all the more
For it is not a dream that you are going away
With the love that I have come to experience ...

Some of the gems from the heady days of accelerated social change and growing political awareness of the 1960s and '70s are included in the section Society and Social Change. The fears and frustrations of the colonial era are faced with irony and wry humour in John Waiko's play *The Unexpected Hawk*, and John Kasiapwalova's short story *Betel-nut is Bad Magic for Aeroplanes*. The use of Tok Pisin, vernacular language and colloquial forms of spoken English give these pieces a particular pertinence. Kumalau Tawali's poem *The Bush Kanaka Speaks* has appeared before, as have some other items in the anthology, but they well deserve a wider audience:

The Kiap shouts at us
forcing the veins to stand out in his neck
nearly forcing the excreta out of his bottom
he says: you are ignorant.
He says: you are ignorant,
but can he shape a canoe,
tie a mast, fix an outrigger?
Can he steer a canoe through the night without losing his way?
Does he know when a turtle comes ashore
to lay its eggs?

The question of cultural identity provides good material for debate on the need for a Melanesian Way. My only complaint is that Ms Powell did not reprint in full John Kasiapwalova's remarkable poem *The Reluctant Flame* — perhaps the most powerful call for freedom in the emerging literature of any new nation.

Ganga Powell is to be congratulated on a thoughtful, inspiring and fearless anthology. She has not veered away from what some may consider controversial choices, especially since her intended primary audience is secondary school children. But it is essential that young readers are exposed to the best of their country's creative minds, and in this selection they will find the strengths and conflicts that have shaped its recent history. □

PAPUA NEW GUINEA PEOPLE IN CHANGE — A Social Studies Resource Kit - Film Australia. ISBN O 642 11955 4. $120.

Reviewed by John Hunter

FOR MANY people, Papua New Guinea is the 'kid next door'. He has always been there — as a child, then grown to maturity — but we've never really got to know him. People of the Pacific need to know more about their nearest neighbour and to understand more about the country and its people. One way is through the school system; children should know more about their neighbours from an early age.

While this is easy to say, it can prove difficult in practice due to a perennial scarcity of resource material on PNG. In 1987 a school project kit was produced by Peter Leyland Publishing. Called *Papua New Guinea Today*, it consists of photographs, an audio tape and teacher's book. Just recently a second kit appeared, called *Papua New Guinea — People in Change*. It's a social studies kit for upper primary and secondary classes and consists of two video cassettes, an audio cassette and comprehensive teacher's guide. It seeks to answer two questions: what is traditional culture? and how and why do cultures change?

The kit introduces children to the Baruya tribe of the Eastern Highlands in Papua New Guinea, through a Film Australia video produced by Ian Dunlop. A second video contains copies of *New Guinea Patrol*, which records James Sinclair's 1950s Southern Highlands patrol, and *Yumi Yet*, which covers the 1975 Independence celebrations.

An audio tape is also provided to enable children to hear a variety of Papua New Guinea music and to hear two stories read in Pidgin. Teachers have a comprehensive guide that suggests ways of programming the course to include subjects such as art, music, science, language and so on. The guide provides resource material on Baruya society, a list of books and films, the stories on the audio cassette and games that can be played by the children.

The study of the Baruyans is a sensitive one: at no time are children encouraged to condemn, accept value judgments, laugh at or look down on another society. Certainly the material enables a better understanding of Papua New Guinea, its cultures and the great changes that have sped the country ahead "10,000 years in a lifetime".

I believe the kit is of great value to any student or adult, for it captures moments in history. I would very much like to sit in on a class and to watch students discuss life in the village, make traditional houses, cook sweet potato, exchange pigs and perform a sing-sing. □

BUSINESS DEVELOPMENT IN THE HIGHLANDS OF PAPUA NEW GUINEA: Pacific Islands Development Program Research Report No 6. By Ben R Finney. Published by East-West Centre, Honolulu, 1987. ISBN U-86638-094-9.

Reviewed by John Connell

SOME MIGHT envy Ben Finney. After completing a master's thesis on the history of Hawaiian surfing and a doctorate on Tahitian village economics, he has devoted many years to studies of Pacific Tourism and traditional Polynesian navigation.

Two decades ago Finney also found time to make a pioneer study of business development and economic growth in the Eastern Highlands of Papua New Guinea. His book *Big Men and Business* (ANU Press and University of Hawaii, 1973) quickly became a pioneer study of how some Gorokans became cash crop producers, affluent businessmen and national politicians within a single generation. The Gorokans pointed the way for many other Highlanders to follow as coffee, cash and capitalism brought a new era to the region. Almost 20 years later the Pacific islands Development Program, then engaged in a wider study of business development in the Pacific, commissioned Ben Finney to return to Goroka and examine again business development in the Highlands.

In Finney's first book on Goroka he concluded that the traditional culture of the Eastern Highlands "pre-adapted" the people to modern commercial development, through the emergence of entrepreneurs willing and able to exploit the opportunities offered by the new market economy. Many of these grass-roots businessmen began their careers through trading pigs, shells and other valuables, usually both as individuals and on behalf of the clan. Subsequently they followed the style — if not the substance — of traditional status mobility. Eastern Highlanders quickly accepted both economic innovation and new forms of economic activity but, in most respects, retained the basis of their traditional culture.

In some respects little had changed. Gorokans remained "conspicuous investors", gaining prestige and status by investing in visible commercial assets. Wealth and social standing more than ever are measured in terms of coffee production, business assets and cash flow. Once again entrepreneurship was closely related to leadership, and there were intense rivalries for power and authority within the competitive and fluid leadership system.

At the same time the older business groups that with government support had initiated the almost complete localisation of business in the Highlands, had disintegrated through tension and jealousy and been replaced by more cohesive and manageable businesses based on nuclear families. If business had become more individualistic, the new businessmen nonetheless were still closely identified with their clans, contributing to ceremonial expenses, clan payments, school fees and so on, through which they gained both prestige and clan support. Clan support remains crucial as a source of land, labour and also cash. Traditional influences have barely dwindled.

Again Finney found that businessmen were unable to escape the necessity to distribute largesse to clansmen, and unrestrained demands and generosity often led to bankruptcy and business failure. In other words, the very factors that enabled businessmen to prosper were all too often exactly those that led to the demise of potentially successful businesses. Only a few younger men were easily able to escape the confines of the *wantok* system. One means by which the most successful entrepreneurs achieved this was by delegating the daily management of their business to expatriates who were both experienced managers and better able to withstand the demands of customary obligations. So the largest businesses are best able to regulate the *wantok* system, as smaller businesses collapse under the strain, and there are virtually no skilled Gorokan managers.

Finney observes: "The rough egalitarianism of traditional times, where every man had a more or less equal chance to strive for wealth and power, has been replaced by a social system that is beginning to look more and more stratified." The youngest university-educated entrepreneurs are increasingly investing outside the province (one buying up land in Brisbane, Queensland), to avoid customary obligations and to make greater profits away from Goroka, where the best rural and urban land has already long been sold. However, though Finney argues that entrepreneurial values are so widespread that there will be such constant challenges for business prominence and disputes over land tenure that few businesses will survive more than one generation, there is just as much evidence that some business élites in the new development corporations are now extremely well entrenched.

Indeed, in the end, Finney's conclusions are not wholly convincing both because he was only in the Eastern Highlands for 15 days and because he has taken no apparent note of social scientists who preceded him in the Eastern Highlands and whose conclusions are far from being so sanguine.

The new rapacious entrepreneurs have scarcely created a society where the rural and urban poor can face the future with confidence. Perhaps Ben Finney will return again, stay longer and reveal the darker side of the moon. □

Shipping Schedules

AUSTRALIA — NEW CALEDONIA — FIJI — HAWAII — NORTH AMERICA

PACE Line (ACTA Shipping) operates a fully containerised service every 17 days from Melbourne, Sydney and Brisbane to Suva and Lautoka. A recent feature of the service is direct calls at Noumea. The vessels continue on to the North coast of America, calling at Hawaii at frequent intervals.

Details from ACTA Pty Ltd, Sydney (2660633), Tlx AA121369; Fax 2671148; Burns Philp (SS) Co Ltd, Rodwell Road, Suva (311777); Tlx FJ2168; Fax 311804; Burns Philp (SS) Co Ltd, Lautoka (60777); Sato SA, Avenue James Cook, BPC 2, Noumea, Cedex (281122); Tlx 163 NM SATO; Fax 278532.

AUSTRALIA — SAMOAS — TONGA

Warner Pacific Lines operates a regular cargo service from Sydney, Brisbane and Melbourne to Nuku'alofa, Pago Pago, Apia and Vava'u.

Details from Hetherington Wesfarmers Shipping Agency, 37-49 Pitt St, Sydney (2231600).

AUSTRALIA — NEW CALEDONIA — FIJI — SAMOAS — TONGA

Pacific Forum Line operates a fully containerised service (general, reefer and ro-ro) from Brisbane and Sydney to Noumea, Lautoka, Suva, Apia, Pago Pago, Nuku'alofa, Sydney. Cargo centralised from Adelaide and Melbourne.

Details from Pacific Forum Line, PO Box 796 Auckland; Union Bulkships, 333 George St, Sydney, Brisbane and Melbourne; Union Co, Lautoka; Pacific Forum Line, Suva, Nuku'alofa and Apia; Polynesia Shipping, Pago Pago.

FIJI — TUVALU — KIRIBATI — FIJI

Pacific Forum Line operates a conventional vessel providing a 28-day service from Fiji to Tuvalu and Kiribati.

AUSTRALIA — LORD HOWE ISLAND — NORFOLK ISLAND

Compagnie des Chargeurs Caledoniens operates four-weekly cargo service Sydney-Lord Howe Island and Norfolk Island.

Details Hetherington Wesfarmers Shipping Agency, 37-49 Pitt St, Sydney (2231600).

AUSTRALIA — KIRIBATI

K. Asia Pacific operates a 5/6 weekly service from Melbourne and Sydney to Kiribati (Tarawa).

KAP New Guinea Lines calls Tarawa after PNG ports on a 35-day basis from Melbourne and Sydney/Brisbane.

Details from K. Asia Pacific Pty Ltd, Goldfields House, 1 Alfred St, Circular Quay, Sydney (2322277), Tlx: 122143.

AUSTRALIA — TUVALU

K. Asia Pacific operates direct service every second voyage to Tulalu (Funafuti).

Details from K. Asia Pacific Pty Ltd, Goldfields House, 1 Alfred St, Circular Quay, Sydney (2322277), Tlx 122143.

AUSTRALIA — NORFOLK ISLAND — LORD HOWE ISLAND

Norfolk Island Shipping Line operates direct service every 5/6 weeks ex-Sydney.

Details from K. Asia Pacific Pty Ltd as managing agents for NISL, Goldfields House, 1 Alfred St, Circular Quay, Sydney (2322277).

AUSTRALIA — COOK ISLANDS

Norfolk Island Shipping Line operates direct service every 5/6 weeks ex-Sydney.

Details from K. Asia Pacific Pty Ltd as managing agents for NISL, Goldfields House, 1 Alfred St, Circular Quay, Sydney (2322277).

Compagnie Generale Maritime operates a monthly service from Sydney, Melbourne and Brisbane to Noumea, Port Vila and Santo, for containerised and break bulk cargo.

Details from Compagnie Generale Maritime, 12 Castlereagh St, Sydney (2313700).

AUSTRALIA — NAURU

Nauru Pacific Line operates regular cargo service from Melbourne to Nauru, passenger service to Nauru only.

Details from Nauru Pacific Line (Aust) Pty Ltd, Nauru House, 80 Collins St, Melbourne (6535709). Nedlloyd Swire, 8 Spring St, Sydney (20522).

AUSTRALIA — SOLOMON ISLANDS — VANUATU

NGAL/PNGL joint service operates a monthly service.

Details from Nedlloyd Swire Pty Ltd, 8 Spring St, Sydney (20522).

AUSTRALIA — NEW ZEALAND

The Australian National Line and the New Zealand Line operate a weekly container service (TRANZTAS) between Sydney and Melbourne to Auckland, Wellington, Lyttleton and Port Chalmers.

Details from Australian National Shipping Agencies, 131-137 York St, Sydney (2257333) and ANL Shipping Agencies, "World Trade Centre", Cnr Flinders and Spencer Sts, Melbourne (6112323) or New Zealand Line, Pastoral House, 96 Lambton Quay, Wellington, (7285000).

AUSTRALIA — NZ — FIJI — VANUATU — NEW CALEDONIA — SOLOMONS — NEW GUINEA

Sitmar Cruises operates a year-round cruise program from Sydney to include the better-known ports in the above countries plus a number of unspoilt, and largely unknown, island paradises.

Details from Sitmar Cruises, 39 Martin Place, Sydney (2399000), NSW; reservations and inquiries (008 422277); rest of Australia, reservations and inquiries (008 222277).

AUSTRALIA — NZ — FIJI — TONGA — VANUATU — NEW CALEDONIA — SOLOMONS - SAMOAS — TAHITI

P&O Liners call at Auckland, Bay of Islands, Honiara, Lautoka, Noumea, Nuku'alofa, Pago Pago, Papeete, Port Moresby, Santo, Savu-Savu, Suva, Vava'u and Vila on cruises from Australia.

Details from P&O Booking Centre, World Travel Headquarters Pty Ltd, 33 Bligh St, Sydney (2370333).

AUSTRALIA — PNG — SOLOMONS — VANUATU

A consortium of NGAL/PNGL and CONPAC/NEL has four vessels operating a joint service from east coast Australian ports to Port Moresby, Lae, Alotau, Madang, Wewak, Rabaul, Kavieng-Kimbe, Kieta, Honiara, Vila, Santo.

Details from Burns Philp & Co Ltd, PO Box R124, Royal Exchange, Sydney 2000 (20547); Nedlloyd Swire, 8 Spring St, Sydney (20522); New Guinea Express Lines, 37 Pitt St, Sydney (2413991); Vila Agents PO Box 27, Port Vila (2456), Tlx: NH1011.

New Guinea Express Lines operates a weekly container service from Melbourne, Sydney, Brisbane to Port Moresby, Lae, Alotau, Kimbe, Rabaul, Kieta, Honiara, Kavieng, Madang, Wewak, Santo, Vila.

Details from New Guinea Express Lines, PO Box R73, Royal Exchange, Sydney (2413991); New Guinea Express Lines, 127 Creek St, Brisbane (2219333); New Guinea Express Lines, 84 William St, Melbourne (6025544); Nuigini Express Lines, Port Moresby (214572); New Guinea Express Lines — agent Steamships Trading, Rabaul (921400); Bougainville Agencies Pty Ltd, Kieta (956089); New Guinea Express Lines, Steamships Trading Co, Madang (822446); New Guinea Express Lines, Garumut Enterprises, Wewak (862106); Burns Philp (PNG) Ltd, Kavieng (942133); Alotau Steevedoring and Transport, Alotau (611318); Ngatia Wholesalers Pty Ltd, Kimba (93-5102); and Tradco Shipping, Mandana Avenue, Honiara (22588); Vila Agents Ltd, PO Box 971, Vila, Vanuatu (2490); John Lum & Associates, PO Box 65, Santo, Vanuatu (329).

SINGAPORE — HONG KONG — FIJI ISLANDS PORTS

Kyowa Shipping Co Ltd operates a monthly containerised and break bulk cargo service from Hong Kong to Lautoka, Suva and then to island ports.

Details from Carpenters Shipping, Private Mail Bag GPO Suva — Fiji (312244); Fax: (679) 314572, Tlx FJ2199.

FAR EAST — FIJI — NEW ZEALAND

New Zealand Unit Express (NZUE) operates a monthly service accepting containerised and break bulk cargo from Manila, Keelung, Kaohslung and Hong Kong to Lautoka, Suva and thence to New Zealand ports.

Details from Carpenters Shipping, Private Mail Bag GPO Suva (312244), Fax: (679) 314572; Tlx FJ2199; Burns Philp, Suva (311777); New Zealand Unit Express, Maritime Building, 2-10

Customhouse Quay, PO Box 890, Wellington (727865), Cables: ENZUE-MAN WELLINGTON, Tlx: NZ31340, NEDLNZ, or Nedlloyd Swire Pty Ltd, Sydney (20522).

FAR EAST — MID-S. PACIFIC

China Navigation's New Guinea Pacific Line operates a regular container service from Hong Kong, Taiwan, Philippines, Singapore, Malaysia and to Port Moresby, Lae, Rabaul, Kieta and Honiara monthly. Wewak and Madang will receive four direct calls a year. A T/S service via Lae to these and other PNG ports connecting with monthly sailings is available at cost. Cargo from the same Eastern ports to the South Pacific ports of Noumea, Santo, Vila, Papeete, Pago Pago, Apia, Nuku'alofa, Raratonga and Tarawa will be shipped via Japan or Busan on the monthly Bali Hai service.

Details from Steamships Shipping, PO Box 634, Port Moresby (220283 or 220289).

Kyowa Shipping Ltd, operates monthly services from Japan to Guam, Saipan, Solomons, New Caledonia, Fiji, Western and American Samoa, Tahiti, Cook Islands, Tonga and Vanuatu.

Details from Hetherington Wesfarmers Shipping Agency, 37-49 Pitt St, Sydney (2231600); Carpenters Shipping, Suva (312244), Tlx: FJ2199.

GUAM — NORTHERN MARIANAS

Saipan Shipping Co Inc operates a weekly service via barge carrying containers and conventional cargo between Guam and Saipan and Tinian.

Details from Saipan Shipping Co, Inc, PO Box 8, Saipan, CM 96950 (322 9706 or 3229707), Tlx: 783619; Fax: (670) 3223183; Guam agents Maritime Agencies of the Pacific Ltd.

HAWAII — SAMOAS — TONGA — COOK ISLANDS

Hawaii-Pacific Lines operates monthly container service between Honolulu, Pago Pago, Apia, Nuku'alofa and Avatiu (Rarotonga).

Details from Hawaii-Pacific Maritime, Inc, PO Box 3264, Honolulu, HI 96801-3264 (808 5314841).
Details from: Morris Hedstrom (Samoa) Ltd, PO Box 189, Apia, Western Samoa (21355, 22722), Tlx: 224 (MORISHED SX), Fax: 24-279; Union Citco Travel Ltd, Rarotonga, Cook Islands (682 21780); Tlx: 62024 (UTRAV G); Fax: (682) 20859; Kneubuhl Maritime Services, PO Box 39, Pago Pago, American Samoa, 96799 (684 6335121/22); Tlx: 782505; Fax: (684) 6335100; Union Maritime Services Ltd, PO Box 4, Nuku'alofa, Tonga (21644/5); Tlx: 66227, Fax: (676) 21645.

JAPAN — FIJI — ISLAND PORTS

Kyowa Shipping Co. Ltd operates a monthly containerised service from main ports of Japan to Suva, Lautoka, thence to island ports.

Details from Carpenters Shipping, Harbour Centre Building, 1st Floor, Thomson St, Suva (312244), Tlx: FJ2199, and Burns Philp, Suva (311777).

JAPAN — MICRONESIA

The NYK Shipping Line operates a monthly cargo service from Japan to Micronesia, calling ▶

at Yoko, Nagoya, Kobe, Guam, Saipan, Truk, Ponape and Majuro, returning via Yoko, Nagoya and Kobe.

Details from Burns Philp & Co. Ltd, 51 Pitt St, Sydney (2591000).

Saipan Shipping Co Inc operates a monthly service from Japan to Saipan, Guam, Truk, Ponape, Majuro (Kosrae and Ebeye on inducement).

Details from Saipan Shipping Co Inc, PO Box 8, Saipan, CM 96950 (322 9706 or 3229707), Tlx: 783619, Fax: (670) 3223183. Japan agents Kyowa Shipping Company Ltd; Guam Agents Maritime Agencies of the Pacific Ltd.

JAPAN — KOREA — PNG — JAPAN PARADISE SERVICE

Mitsui OSK Lines in joint service with Nyk Lines operates a monthly service from main ports in Japan and Busan in Korea to PNG — ports of Wewak, Rabaul, Kieta, Lae, Port Moresby, Kavieng, Kimbe, Madang and Oro Bay.

Details from Robert Laurie Company Pty Ltd, PO Box 1032, Lae/PNG (Direct: 423642 or Switch: 423811), Contact: W O Hackenberg, Group Shipping Manager & Marketing; Tlx: NE 42508, Fax: 423801.

PNG — INTER-MAINPORT

Papua New Guinea Line offers scheduled 10-20 day coastal liner services linking all PNG major ports with containerisation, reefer, heavy lift and trans-shipment facilities.

Details from PNG Line, Box 543, Port Moresby, PNG (211174), Tlx: 22269.

PNG — UK/CONTINENT

The Bank Line & Columbus Line operate a regular joint service from Port Moresby, Oro Bay, Kieta, Rabaul, Kimbe, Madang and Lae to Hull, Hamburg, Rotterdam, Antwerp and Le Havre.

Details from The Bank Line (A'asia) Pty Ltd, 51 Pitt St, Sydney (272041), Tlx: AA24063; Columbus Line, Lae (423466), Tlx: NE 44171; or lines' local agents.

SOLOMONS — UK/CONTINENT

The Bank Line & Columbus Line operate a regular joint cargo service from Honiara to Hull, Hamburg, Rotterdam, Antwerp and Le Havre.

Details from The Bank Line (A'asia) Pty Ltd, 51 Pitt St, Sydney (272041), 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, Brisbane then New Zealand.

Details from Pacific Forum, Auckland, Christchurch; Union Bulkships, Brisbane; Steamships Shipping, Port Moresby and Lae; Sullivans Ltd, Honiara; Seabridge, Wellington.

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 NZ Shipping Agencies International Ltd, PO Box 3420, Auckland (392650); 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.

NEW ZEALAND — FIJI

Reef operates a regular 18-day service from Auckland to Suva and Lautoka. Also passenger accommodation.

Details from Reef Shipping Agencies, PO Box 3382, Auckland, NZ (7712213), Tlx: 60633; MV Fijian Shipping Agencies Ltd, Private Bag, Suva, Fiji (311056).

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

Details Sofrana Unilines, 18 Customs St, Auckland (773279), 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 Service. 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 (739029); Burns Philp (SS) Co Ltd, GPO Box 355, Suva, Fiji (311777), 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, Christchurch, Suva and Apia, Union Maritime, Lautqka, and Nuku'alofa; Polynesian Shipping, Pago Pago.

NEW ZEALAND — TONGA — SAMOAS

Warner Pacific Line Services: Auckland, Nuku'alofa, Vava'u, Apia, Pago Pago fortnightly carrying general and freezer cargoes and FCL Dry.

Details from McKay Shipping Ltd, Downtown House, 21 Queen St, Auckland, PO Box 3 (390229). Cables MACSHIP, Tlx: NZ2554f; Warner Pacific Line, Box 93, Nuku'alofa, Tonga; Mealelel (Western Samoa) Ltd, Private Bag Apia, Western Samoa; Burns Philp (SS) Co Ltd, PO Box 129, Pago Pago, American Samoa (6332709), Cables 506, Burnsouth SB.

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 (390229). Cables MACSHIP, Tlx: NZ2554; Fax: 32931.

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 Agenciejs Ltd, 6th Floor, 38 Fort St, Auckland 1, NZ (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 from Compagnie Generale Maritime, 12 Castlereagh St, Sydney (2313700).

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, Le Havre 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 (427805), Tlx: 373, Tlx: Sotama 373FP; SATO: BP, C2 Noumea Cedex (272094), Tlx: 163NM; Universal Shipping Agencies, PO Box 2282 Auckland (30930), Tlx: 21517; Vanua Navigation, PO Box 44, Vila (2027), Tlx: 1033; Melan Chine Shipping Co, PO Box 71, Honiara (21678), Tlx: 66335; Steamships Trading Co Ltd, PO Box 85, Lae (424666), Tlx: 42423; Union Steamship Co of NZ Ltd, PO Box 50, Apia (21781), Tlx: 225; Warner Pacific Line, PO Box 93, Nuku'alofa (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 (273801); Carpenters Shipping, 1st Floor, Harbour Centre Bldg, 100 Thomson St, Suva (312244) Tlx: 2199FJ and Vetari St, Lautoka (63988), Tlx: 5215FJ.

UK — EUROPE — 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 (272041), Tlx: AA24063, Columbus Line, Lae (423466), Tlx: NE 44111, or Lines' local agents.

UK — EUROPE — 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 (272041), Tlx: AA24063; Columbus Line, Lae (423466), Tlx: NE44171; or lines' local agents.

UK/EUROPE — 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 (272041), Tlx: AA24063, Columbus Line, Lae (423466), Tlx: NE44171; Ets A.M. Fare UTE, Papeete; Ets, Ballande, Noumea and other local agents.

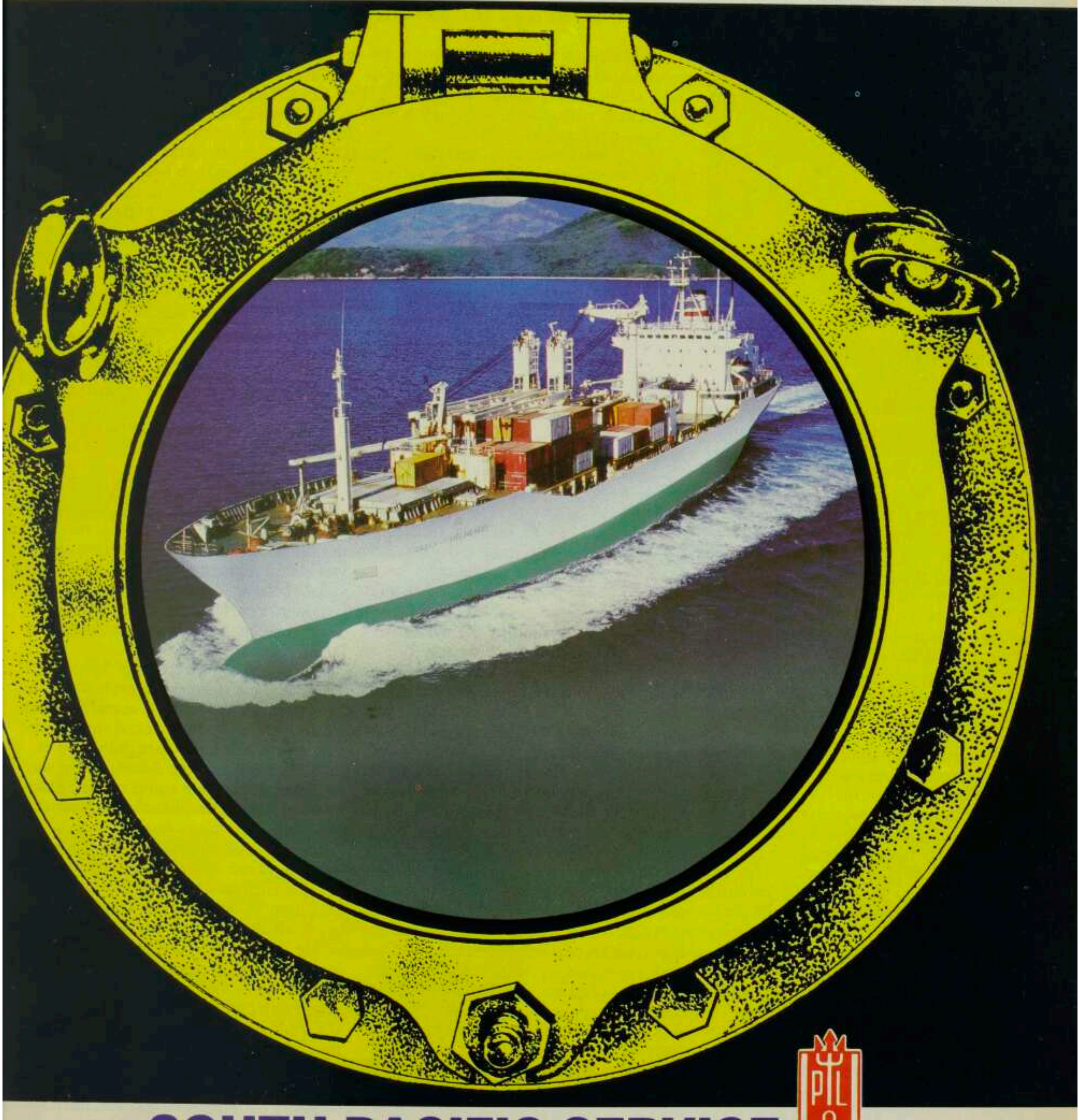
US — HAWAII — MICRONESIA — PNG

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 4215400), Tlx: 278016 PMO UR; owner's Representative PO Box 803, Saipan, NMI 96950 (2346819), Tlx: 783605 CMCAA.

POLISH OCEAN LINES

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



SOUTH PACIFIC SERVICE

We offer monthly service to and from: GDYNIA, HAMBURG, ROTTERDAM, MIDDLESBOROUGH/IMMINGHAM, ANTWERP, DUNKIRK, ROUEN, PAPEETE (via PANAMA), NOUMEA, AUCKLAND, HONIARA, RABAUL, LAE, SINGAPORE, by our multipurpose vessels carrying dry and reefer containers, reefer chambers, heavy lifts, breakbulk or palletized, bulk liquids.

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Happy Birthday HMS Bounty

Hell on board, paradise ashore for the men of the Bounty. *By Sven Wahlroos*

A replica of the Bounty.

TWO HUNDRED years ago *HMS Bounty* was beating southward to Cape Horn and the beginning of one of history's most famous voyages, celebrated in art, fiction, movies and myth. She left Portsmouth on December 23, 1787, and spent the next two months on the 18th-century equivalent of a shakedown cruise, tightening equipment and discipline as she prepared to sail to Tahiti to gather breadfruit for the use of Britain's West Indian slaves.

Bounty's commander, Lieutenant William Bligh, has been portrayed as a sadist and a flogger; a maritime Caligula. He was neither: rather, he was a compulsive disciplinarian, both of himself and his men, and it was his tongue that was to bring him to ruin on more than one occasion (he was court-martialled in 1805 for his insulting and offensive remarks to fellow officers — in a Royal Navy famed for its foul language).

Bligh was also, on occasion, a remarkably poor judge of character, for it was in March 1788 that he made two errors of judgment: he promoted Fletcher Christian to second-in-command, and sentenced to the lash Matthew Quintal — men who were, 13 months later, to lead the mutiny on the *Bounty*.

To appreciate what life was like on that ship 200 years ago, look first at the ship herself. The replica Dino de Laurentiis built for the 1984 movie *The Bounty* is tiny: it's difficult indeed to imagine she could have accommodated 46 men in addition to more than a thousand breadfruit plants.

Yet the *Bounty* replica was larger than her prototype, in order to make room for engines and make it easier to take wide-angle shots. The original was only 27.7 metres long, with a beam of 7.4 metres and 215 tons' dead weight.

The *Bounty* had no superstructures, nor did she have any portholes, so it was dark below. The only light that seeped down came from the 90cm-wide hatches to the ladderways — and they were open only when conditions allowed. Light entered the main cabin from the stern windows, but this cabin was reserved solely for the breadfruit plants to be gathered and for this purpose had been almost trebled in length, from 3.35 metres to 9.1 metres.

The ship was both overcrowded and undermanned. Of the 46 men on board, only 14 worked in the rigging . . . and one of them was virtually blind! The rest were warrant officers, midshipmen, craftsmen of various nautical specialties, botanists and so on. Depending on circumstances the ship was either wet, dark and cold or wet, dark and hot. At no time did it offer even minimal comfort by today's standards to the men before the mast.

The food served to the ratings would not be considered palatable — or even edible — by the majority of Westerners today. The biscuits were usually full of weevils, the meat was sometimes hard enough to be used for carvings, the butter was rancid and the water was foul. Yet, partly because of the allure the South Seas had acquired through the famous voyages of Wallis and Cook, the *Bounty* sailed without any pressed men on board; all were volunteers. Most came from squalid backgrounds, had no close family ties and had nothing to lose by seeking adventure.

The voyage was rough. For a whole month the *Bounty* faced strong westerly gales in trying to round Cape Horn. The seas were higher than anyone on board had ever seen, and the sails became so weighted with snow and ice they were almost impossible to furl or to set. The men were exhausted and their hands were bleeding, but it was only when eight of the ship's company were on the sick list that Bligh finally changed course for the Cape of Good Hope. The voyage continued to be mostly miserable, full of hard work and alternating between danger and boredom.

Imagine, then, how the crew must have felt when after sailing more than 27,000 nautical miles in just over eight months, they encountered Tahiti — Tahiti, the earthly paradise, with its magnificent mountains, verdant valleys, emerald lagoons, enticing fragrances, exotic fruits, gentle people . . . and, most of all, its lovely and accommodating women.

Cook had had troubles with deserters at Tahiti, even though he stayed there only for short times during his various visits. The *Bounty*, on the other hand, remained in Tahiti for more than five months. During that time the crew unavoidably developed strong attachments to the Tahitians and their way of life. In fact, three crew members, including the ship's corporal, deserted (they were eventually caught and punished). There is no doubt the Tahitian women were a prime source of attraction for the men, many of whom had never known any other sexual gratification than that provided by the coarse prostitutes of English ports. Alluring women and an easy life could not have been the sole attractions, however. The fact that each man on board had a *taio* (special friend) must also have been important.

Taio is no longer used in Tahitian, having been replaced by the more general word for friend, *hoa*, but the principle remains the same. Even today, if you have a *hoa* you have a friend forever, no matter what you do short of betrayal. You are not only considered part of his family, you are in some respects more important than this family, because he *chose* you.

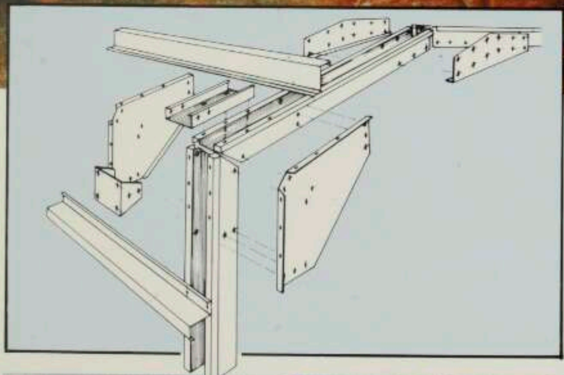
But a *taio* was even closer. You shared his house, his belongings; even his wife. Few, perhaps none, of the seamen on the *Bounty* had ever experienced such closeness and genuine affection in their lives.

Some have seen the *Bounty*'s long stay in Tahiti as the sole cause of the subsequent mutiny: a simplistic and unrealistic explanation, perhaps, but there can be no doubt that the contrast between life on board (and in England) and the paradisiacal existence on Tahiti made it easier for Christian to find followers once he had made his decision to take over the ship.

He had merely to contrast the closeness and warmth of the liaisons they had found in Tahiti with the impersonal devotion to duty Bligh presented to them. Bligh himself could not understand the sense of loss they felt on leaving Tahiti.

History has tended to ignore Bligh's qualities and abilities: his open-boat voyage was a triumph of navigation, but it has been passed over in favour of the adventure enjoyed by the mutineers as they sailed on to Pitcairn.

The Pitcairners themselves are celebrating this year the events that led to their own beginnings; events and celebrations that will reach a climax next April, when the mutiny has its own bicentenary. □



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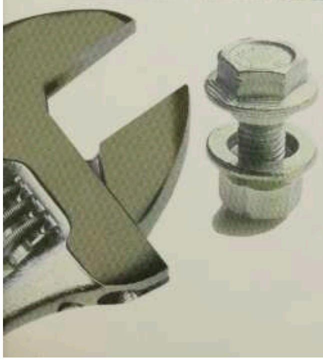

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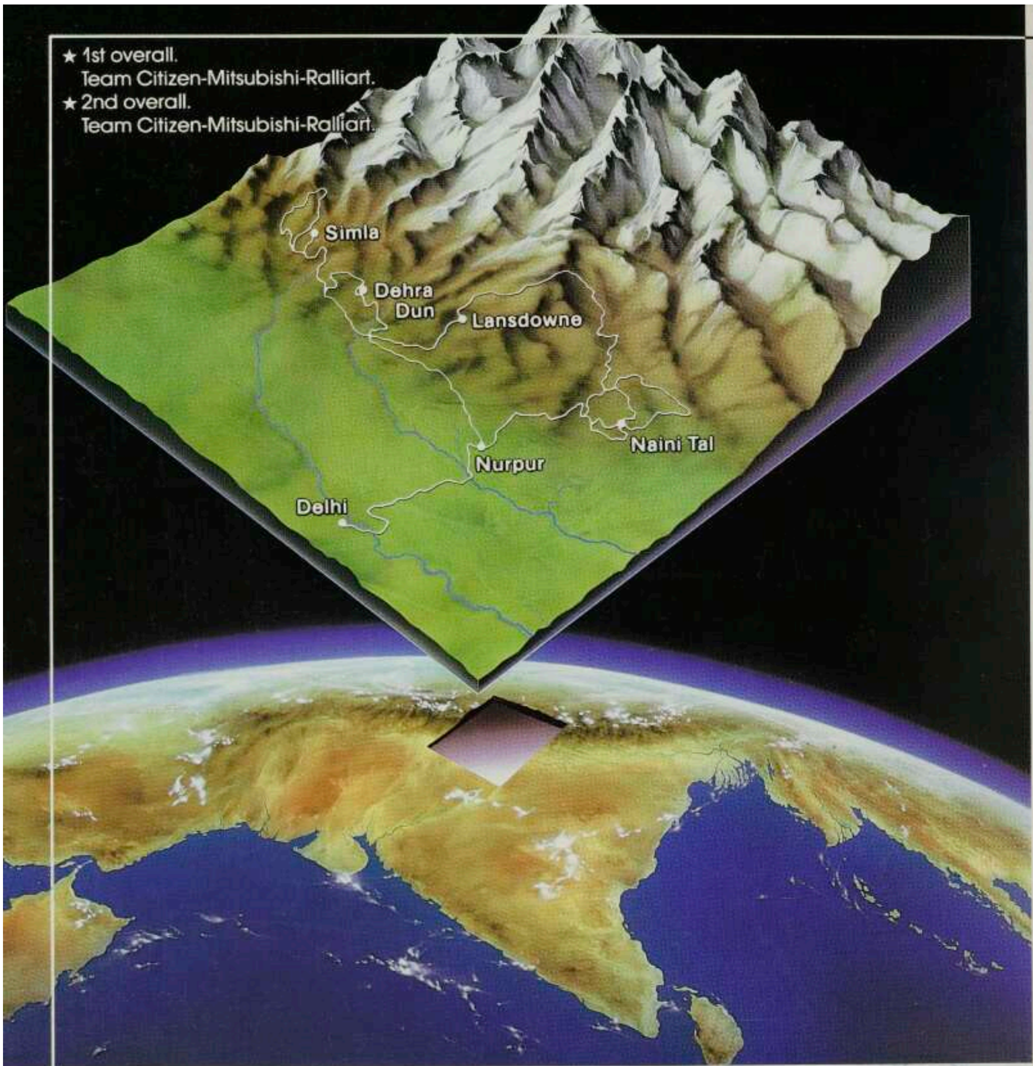

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