

Vol. 60, No. 6 (Jun. 1, 1990)

Date : 7/17/26, 4:40 AM

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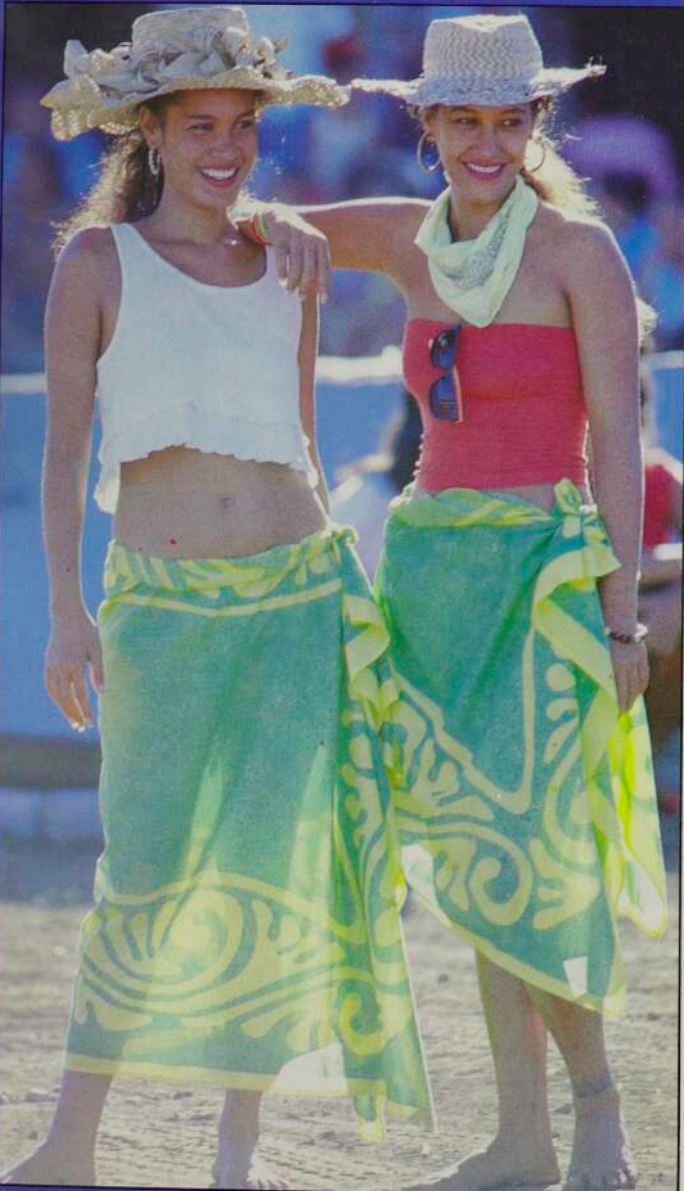
JUNE 1990

PACIFIC ISLANDS

M O N T H L Y



**Ratu Mara
turns 70**



Behind the love image

Tahiti has become a
land of fast cars,
soaring prices and
insatiable sex appeal

American Samoa	US\$2.50	Nauru	A\$2.50	Somolom Islands	A\$3.00
Australia	A\$2.50	New Caledonia	CFP\$2.50	Tahiti	CFP300
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The Legend's styling is a masterpiece of aerodynamics, ensuring a whisper-quiet ride even at high speeds. Its comprehensively equipped cockpit promises effortless command of every function. And its spacious, elegant interior and power-adjustable front seats* invite you to relax in comfort all the way to journey's end.

Honda's Formula One experience is reflected in the highly advanced features of the Legend's 2.7-liter V6 24-valve engine — features like the computer-controlled Programmed Fuel Injection (PGM-FI) system, which optimizes the power output/fuel consumption ratio according to the driving conditions. The dual-mode automatic transmission

operates with incredible smoothness, while double wishbone suspension and 3-channel Anti-Lock Brakes on all four wheels make handling consistently easy, driving consistently pleasurable. And still another new refinement is optional incorporation of Honda's widely-acclaimed SRS airbag system**.

developed to enhance driver protection.

The Honda Legend Sedan, in short, is designed for drivers who appreciate a genuine synthesis of power, prestige and performance.

*Passenger power seat availability varies in some countries

**Not available in some countries

HONDA **LEGEND** SEDAN



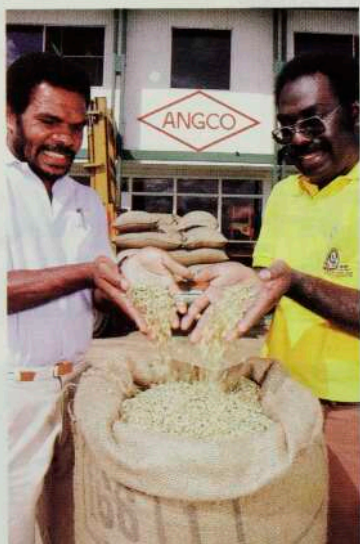
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PACIFIC ISLANDS

M O N T H L Y

Vol. 60, No. 6

VOICE OF THE PACIFIC

JUNE 1990



Papua New Guinea: Rabbe Namaliu's visit to Washington was described as successful. Back home, rebels declared independence on the island of Bougainville. **Page 17.**

Business: With economic growth showing good signs, Fiji holds another Tourism Convention this month. The theme: Fiji. The future is now. **Page 31.**



Cover

They were dancing in Tahiti and they were dancing in Fiji last month. The events were totally unrelated, but both were celebrated with the same show of extravagance. In Tahiti, (p8) the star of the show was French President Mitterand who was helping celebrate Papeete's 100th anniversary as a municipality. In Fiji (p14), the star was Prime Minister Ratu Sir Kamisese Mara who invited diplomats 200 miles away from the capital Suva to celebrate his 70th birthday on his island of Lakeba.

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Pacific Islands Monthly (APPS No. NBP1210) is published monthly by Fiji Times Limited, a division of Nationwide News, 2 Holt Street, Surry Hills, NSW 2010. Second class postage paid to Honolulu, Hawaii Postmaster.

Send address changes to:
• Pacific Islands Monthly, PO Box 1167, Suva, Fiji.
• or, Pacific Islands Monthly, PO Box 2250, Honolulu, Hawaii 96822.
Typeset and printed by Fiji Times Limited, 20 Gordon Street, Suva, Fiji.

LETTERS

Friends of Levuka

A FEW months ago a small group of Fijians living in Sydney came together as friends of Levuka to raise funds to help the Community Centre at Levuka and the Levuka Intellectually Handicapped School. They raised nearly F\$20,000 through a couple of private home parties, an island dance night, a picnic lovo and a lottery with prizes donated by Air Pacific and the Castaway Island Resort. The money has been given to Levuka.

The Historical and Cultural Society of Levuka and the Levuka Intellectually Handicapped School wish to thank Vetinia Fotofili (secretary), Don and Agnus Mitchell (treasurers) and committee members Lily Rae, Allan Ricketts, Richard Petterson and Jo Madden.

VICTOR CARRELL
Northmead, Australia.

Rescue mission

I READ your article, *Uncle Sam to the rescue*, (March 1990) and was surprised that the activity of the Joint Task Force headed by US Army Western Command was not mentioned. It included

74 personnel, nine major pieces of equipment including two UH60 aircraft which flew over 144 hours of SAR, support and humanitarian missions.

J WALSH HANLEY
Hilo, Hawaii.

Remember Temaru

SINCE 1987, I have been mourning the loss of the "old PIM". The PIM that would feature the lovely "Linda of Ponape (Pohnpei)" in Nov 1979, not much more than a decade ago. The new PIM is slick, to impress potential investors to the region from Japan, USA and Europe, but often betraying the warmth and uniqueness of "The Pacific Way". However with the 1990s comes new hope. I was thrilled with the coming of an "indigenous" editor.

The new inexpensive ad section in the back and penpal ads are a most welcomed touch.

I almost feel bad having to end on a criticism. But I fail to see how you could leave Tahiti's Oscar Temaru out of your "Decades Top 10" list of January 1990. Filling the massive void left by the deaths of John Teariki and the great Povana'a O'opa, Temaru has

worked hard at the difficult task for the liberation of "Maohinui" (French Polynesia) for most of the 1980s, without the benefit of the Press you lavish on the struggle in Kanaky (New Caledonia).

Welcome back PIM!

IVAN VERNON McKINNEY
Santa Ana, California.

Penpals

• **Joseph Passinggan, 20.** Likes: Collecting stamps, exchanging postcards and photographs, Pacific culture. Address: Robos Artifact Shop, PO Box 105, Goroka, Eastern Highlands Province, Papua New Guinea.

• **Martlyne Agui Reunion, 17.** She is a high school student who "loves" singing, fishing, dancing, collecting stamps, exchanging photos and writing letters. Address: Robos Artifact Shop, PO Box 105, Goroka, Eastern Highlands Province, Papua New Guinea.

• **Aqua-vitae Santos Reunion, 23.** Likes: writing, photography, reading, Pacific culture. Address: Robos Artifact Shop, PO Box 105, Goroka, Eastern Highlands Province, Papua New Guinea.

APPLY FOR A SCHOLARSHIP TO STUDY AT CURTIN UNIVERSITY (WESTERN AUSTRALIA)



Applications for **Australian Government Equity and Merit Scholarships** for study at Australian universities close at Australian Diplomatic Missions in June 1990.

Opportunities exist for interested people to apply for a Scholarship to study at Curtin University in Perth, Western Australia. The University offers over 200 courses at undergraduate and postgraduate level to 17,500 students. Nearly 1,300 overseas students are currently enrolled. A Curtin Foundation Year is planned for 1991.

Subject to University prerequisites being met, Letters of Offer will be provided to students intending to apply for the Scholarships. A copy of the Letter of Offer should accompany the application for the Scholarship when submitted to the Australian Diplomatic Mission.

For further details of
Australian Government Equity and Merit Scholarships
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International Programmes Office
Curtin University of Technology
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Perth Western Australia 6001
Tel +619 351 7320
Fax +619 351 2605



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Perth Western Australia

HEADLINES

Samoa to allow bank takeover

WESTERN Samoa is to repeal a 30-year-old law in Parliament this month to allow ANZ Banking Group take over half the shares in the Bank of Western Samoa. The shares were held by the Bank of New Zealand which sold all its Fiji operations and shares in Western Samoa to ANZ last March. But a 1959 Bank of Western Samoa Ordinance prevented the immediate sale of the Bank of Western Samoa shares which the government had a pre-emptive right to. Government holds the other 50 per cent of the Bank of Western Samoa.

Finance Minister Tuilaepa Sailele said government would offload its shares to statutory organisations and the public after the ANZ takeover. The move is aimed at encouraging private investment. ANZ has guaranteed the employment of all the workers including the four expatriate staff.

Western Samoa's only other commercial bank is the Pacific Commercial Bank which holds 25-30 per cent of the market. The Bank of Western Samoa held assets worth WS\$86.6 million at the end of December 1988. These were in property, loans deposit with the Central Bank, government stock, coins and notes and overseas accounts. The liabilities were WS\$72.9 million, bringing net assets to WS\$13.7 million.

Don't drink that water

SOME villages on the south coast of Western Samoa's main island of Upolu had their water supply disconnected for several weeks when raw sewage entered the system. Water was brought in by trucks. A private septic tank cleaning company had dumped the sewage near a water supply intake at Togigiga, 14 miles south, across a mountain range, from the capital Apia.

Solid waste on the bank of the river had to be cleared physically to prevent more contamination during rain.

The workers were warned of the water supply intake but dumped anyway, highlighting Western Samoa's loose sewage regulations. The country does not have any largescale sewage treatment plant. Sewage disposal carried out by private contractors are therefore based mainly on ingenuity. Some dig trenches in isolated areas and allow the waste to decompose naturally. Others spread the waste over a large surface area, allowing the sun, rain and soil absorption to break it up.

In 1987, Apia's water supply was shut in some areas because an insecticide called AMBUSH was poured upstream of the intake to kill prawns. Three men were charged and convicted. While Apia's water supply system has been upgraded, a part of town and the outer districts still get untreated water.

New law for islands

HAWAII Congresswoman Patricia Saiki has sought the approval of the House of Representatives to transfer six nationally-administered US Pacific islands to the State of Hawaii and one to the Territory of Guam.

She proposed that Kingman Reef, Baker and Howland islands near Kiribati, and Midway, Jarvis and Palmyra and their territorial waters be incorporated in the State of Hawaii. Wake, closer to the Marshalls, be incorporated in the territory of Guam. Midway, on the northern tip of the Hawaiian Islands chain, and Wake are being used for military purpose. These islands and their territorial waters cover thousands of square miles.

Forum bid's too tough

A CALL by the Melanesian Spearhead Group for the Kanak Socialist National Liberation Front (FLNKS) to be granted observer status at next month's Forum is tough to fulfil, says Forum Secretary-General Henry Naisali. He pointed out that regulations allow only countries and not organisations to be observers at the Forum meetings. The FLNKS, seeking independence for French-ruled New Caledonia, had sought Spearhead Group support for its official presence at the Forum in Port Vila beginning next month. The Pre-Forum meeting is July 23-25; South Pacific Forum August 1-2; Post Forum Dialogue August 4-5.

Marshalls ship registry booms

A LARGE Taiwanese-owned shipping company has just registered 14 of its container vessels under the Marshall Islands flag — in one move thereby tripling the tonnage (to 3.6 million) now on the books of the Majuro maritime registry. Evergreen International SA decided on the move after the United States authorities banned Panamanian-registered ships from US ports. The Marshall Islands recently cut fees and streamlined registration procedures to attract more shipowners.

PACIFIC ISLANDS

M O N T H L Y

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FRENCH POLYNESIA: Distribution: Hachette Pacifique 10 Ave Bruat, Papeete. Phone 25 610

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Micronesia	US\$35
Nauru	AUS\$42
New Caledonia	US\$32
New Zealand	AUS\$42
Niue	AUS\$46
Norfolk Island	AUS\$42
Northern Marianas	US\$36
Papua New Guinea	AUS\$42
Solomon Islands	AUS\$46
Tonga	AUS\$46
Tuvalu	AUS\$46
United Kingdom	Stg£28
US (Mainland)	US\$45
Vanuatu	AUS\$42
Western Samoa	AUS\$50
Elsewhere	AUS\$63

Payments to Pacific Islands Monthly: Subscriptions Dept, GPO Box 1167, Suva, Fiji. Subscriptions rates includes the cost of airspeeding to all destinations set out above. Direct airmail rates on application

COVER STORIES



KAREN MANGNALL

Pride and joy: Papeete's new Hotel de Ville, a \$14.5 million showpiece inaugurated by French President Mitterand last month.

• COVER STORIES

A town like Papeete

There is no other place like this

By Karen Mangnall

DID you get to the party in Papeete last month? Papeete, capital of French Polynesia, the pearl of the Pacific, the island of love, entered its second century as a town.

The 100th birthday party was stupendous. Five weeks of dancing, singing, eating, drinking, sports, music and cultural exhibitions. All the best people were there.

The French President Francois Mitterand, his Prime Minister Michel Rocard and eight, count them, eight French Cabinet Ministers. Outrigger canoe teams from New Zealand, dancers from California and the Pacific Islands.

You didn't manage to make it? well, you probably wouldn't afford it. And Papeete is beginning to wonder whether it can afford it, too. A town of 25,000 spending US\$20M on a birthday party with tourism sliding downhill, a 90 per

cent trade deficit, an estimated US\$80 million territorial debt rising by US\$5 million a month and 10,000 mainly young Tahitians jobless.

"It's true," said a local businessman. "Everybody fears for the future."

When President Mitterand inaugurated Papeete's new US\$14.5M Town Hall, his words were captured in the ceremony of *Apora'a Parau* and placed forever in a closed *umete*, or carved

COVER STORIES

chest.

"While we look at the beauty of your islands, we can also dream of their development. But your greatest wealth, after your people, is beauty. Nature. You must master nature while respecting it, and you must not allow, in any shape or form, the destruction of your natural heritage which is not only an immense source of potential wealth for you, but for the whole of humanity.

"I await the day when Papeete, Tahiti and French Polynesia take their rightful place among the nations of the South Pacific . . . forward as equals among all the other peoples of this vast ocean."

The *umete* joined his words with those of Mayor Jean Juventin:

"Papeete has been the melting pot of the cultural progress which today cements Polynesian firmly to the 21st century.

"Our capital, economic, administrative and political centre, has been the magnet

which lures and holds people. It's been the engineroom of Polynesia's expansion. Papeete's history is merged with that of French Polynesia."

The town is a tidal estuary of humanity, only 25,000 actually live in Papeete but each weekday twice as many pour in to work. Tahiti has about 60,000 cars, not counting commercial vehicles, and the ubiquitous Vespas.

The distant rumble begins about 5.30 each morning. By rush hour it's nose-to-tail along the Boulevard Pomare. Papeete is the only Pacific Island country where you can sit for an hour in a traffic jam, to make a trip of a few kilometres. A brown haze coalesces above the main routes.

A French military census in 1847 recorded Papeete as having 1444 residents, 1045 chickens, 834 pigs — and 102 horses. A decade later, the French Governor ordered: "It is forbidden to gallop horses between Camp Uranie and Papeava bridge." Offenders were liable for a 20 franc fine and any civil damages.

In Papeete, the way you drive is a cultural statement. "There's a speed limit in Tahiti of 60km," says one local. "But that's not fast enough, so everybody does 90km an hour and still someone is passing you." It's the same on the motorway link, where the limit's higher. Every day the two newspapers fill a column each with road accidents and deaths.

"Did you count how many traffic lights they've got?" asked an official Fijian visitor. "How many in Suva? Three? And one of those is a pedestrian crossing light."

Once you've made it into Papeete, you park. "They have parking metres in Papeete," says our motoring expert. "They're beautiful parking metres: you can hang your fish on it or dry your shirt on it. But there's no money in it."

The traffic levels out from about 9am, hits a mini peak over the lunch hour, and tapers off mid-afternoon. Whatever the time of day, the main preoccupation is people watching. The best place is sitting in one of the many sidewalk cafes, lingering over a coffee, juice or local Hinano beer. But the second best place is behind the driving wheel. Every driver's head is turned to check out who's checking them out from the sidewalk. Prang city.

Even the relatively high price of petrol — about US98¢/litre doesn't discourage locals from hopping in the car to go 200 metres down the road to the shops. In 1865, the French Assemblyman George Perrin noted: "In this country, the Europeans don't take three steps on foot."

At 4pm, the rumble begins again as the shopkeepers, clerks, bureaucrats, bank tellers and office workers head



Papeete municipal market: lots of food.

home to their villas in Pirae or Punaania, or their lodgings in Faa'a. As the roar bounces off the waterfront buildings, and the oily haze filters up into the tree canopies, it wakes the old men who've slept the day away on a park bench in the shade of a banyan. They straighten their baseball caps and sit a bit dopily, backs to the traffic, quietly watching the ocean turn silver at dusk.

The map of Papeete is an anatomy of Tahiti's power, wealth and race. Along the Pomare are the highrise shops and office complexes, the bastions of the Chinese and the demis, descendnats of the Tahitians who married into European capital.

Behind are the government buildings, where the predominantly European bureaucrats multiply their tasks and budgets. Their business is recycling the US\$5 million in direct French subsidies each month into wages, construction and services; the parasite industries of aid dependence.

Even two or three blocks behind the wealthy waterfront face, the elegant, solid concrete buildings leach quickly into battered, two storey wooden shops with crowded apartments above, washing hanging on the balconies.

And then back to the foothills are the modest houses, and the pockets of slum accommodation, dotted with the local minimarkets. The population here is overwhelmingly Tahitian.

The average family has five children.

"There's a subsidy of US\$50 per month for each child until the age of 18," says one observer. "If your rent is US\$600 a month and the car payment is US\$500, then there's every incentive for low income families to have more children to get a little extra to pay off the



Warrior now, what next: "Your greatest wealth . . . is beauty."

France pays, France controls

By Karen Mangnall

A DISGRUNTLED *Les Nouvelles* headline farewelled François Mitterrand from Tahiti last month after three days of relentless feting: "A Presidential Visit to Polynesia for Nothing?" On the surface, an unexpected plaudit from a francophone bastion after only the third visit to the territory by a French head of state, and Mitterrand's first as President.

The customarily overwhelming Tahitian welcome was matched by the political wattage of Mitterrand's entourage. The President was joined by Prime Minister Michel Rocard and eight other Ministers of the Republic for the second meeting of the South Pacific Council.

Mitterrand himself was chief attraction at the inauguration of Papeete's *Hotel de Ville*, a US\$14.5 million rose-and-cream replica of Queen Pomare IV's Palace. Mayor Jean Juventin said Papeete deserved a town hall to match its ambitions, which in this capital obviously run to Imperial chic — parquet floors, hand-painted wallpapers, chandeliers, palest green leather couches, satin drapes and wood panelling. The inauguration kicked off a month of celebrating Papeete's centenary, a marathon of dances, cultural festivals, sports and exhibitions cost-

ing an extra US\$6 million. Not bad for a town of only 25,000 residents.

This widening gap between lavish expenditure and modest resources was Mitterrand's public focus, although he diplomatically avoided highlighting Papeete's own excesses. Residents who'd hoped for promises of more State subsidies to bail out French Polynesia's deepening economic recession, hoped in vain. What they got was a blunt economic diagnosis:

- Exports cover at most 10 per cent of imports;
- Rapid urban drift has sidelined agriculture and industry remains feeble;



Coke economy? it's the real thing.

• The burgeoning tertiary sector, with attractive salaries, thanks to massive metropolitan subsidies, has stimulated an "economy of consumption" with rocketing imports;

• The social cost is 15 per cent unemployment, the vast majority of the unemployed being young Tahitians, particularly those recently arrived on Tahiti nui from the islands;

This disruptive threat is accentuated by demographics. The estimated population of 190,000 is growing rapidly and three-quarters live on Tahiti itself, many in the insanitary slums of *bidonvilles*, around Papeete, and Faa'a. Half this population is aged under 20.

Mitterrand acknowledged the widening gap between rich and poor is resented all the more as Tahiti is touted as having one of the region's highest per capita incomes. The state is contributing US\$25 million over the next five years to build 200 low-cost houses a year. Mitterrand sees education as the key to dealing with Tahiti's young workforce and developing the territory's agriculture, fisheries and tourism. But his lauding of education (to be subsidised to the tune of tens of millions of dollars in the short term) as "the best chance for every individual to get a job", begs the question: what job?

Tahiti is estimated to need 2300 new jobs annually to meet demand but can expect only 1000, at most, as long as the

house."

The distribution of Papeete's wealth is in inverse proportion to Tahiti's population, three-quarters of which now lives on Tahiti-nui and depends on Papeete's economy: 68 per cent Polynesian, 17 per cent demi Polynesian, 10 per cent European and 5 per cent Chinese.

More than half the population is under the age of 20. Most of the youth are Tahitian. Most have low educational qualifications. The Tahitian population is growing rapidly.

* * *

Someone making a t-shirt with the slogan "I live to shop" would make a fortune in Papeete. It's a consumer paradise, if you've got the money to pay the exorbitant prices.

It's the essence of Papeete's economic, and architectural facade, and that so many people do have the money. They're Papeete's yuppies, *les smiggies* let's call them, the recipients of Tahiti's guaranteed minimum wage, *le smig*, of at least US\$800 a month.

They pay no personal income tax. But the penalty comes with the prices — inflated by the 20-200 per cent import tax — and Papeete's notorious markups.

10 PACIFIC ISLANDS MONTHLY — JUNE 1990

Black pearls, Parisian designer jewellery, fashion clothes, imported shoes, stereos, televisions, stoves, washing machines, clothes driers. Clothes driers? Glassfronted patisseries with rows of fantastically rich pastries, pyramids of imported chocolates.

In the youth range, there's the skateboards, American surfwear, beach baggies, Surf Hawaii t-shirts, sneakers, shades, walkmans, the latest American pop cassettes, vespa motorscooters, wind-surfers.

And of course, cars.

A new car — a Renault, Peugeot, Ford and Mitsubishi — costs about US\$20,000. Each year Papeete sells 3500 new cars, a stove will sell you back up to a thousand dollars, but who cooks in Papeete, anyway?

"The average house here has a colour tv, a video and two cars," says one local. "Many pay US\$10,000 for a satellite dish to get American television."

"Tahitians love to shop," he says. "They go for a week or even a weekend to Hawaii to do their shopping. It used to be New Zealand, but now it's Honolulu."

"If a Tahitian wants a new stereo or

television or microwave oven, he goes to Honolulu. Even with the price of the ticket, it works out cheaper. You see these Tahitians get off the plane at Faa'a loaded up with goodies, feeling pleased with themselves for getting it at half the price of Papeete. They're smiling."

And then they get to customs.

"But that's okay because all these goodies are actually for your cousin over there who's a customs officer himself, and they wave you through."

These *smiggies* include the 35 per cent of Tahiti's workforce who pour into Papeete's government departments each day. At the day's end they go home to their US\$1500 a month rented house in Pirae or Punaauia, or a US\$600 a month apartment or small house in Papeete.

But if you're one of the 15 per cent unemployed, with your nose pressed to the glass, all that conspicuous consumption is an invitation of another kind.

Papeete's artificial economy, says French Prime Minister Michel Rocard, is a vicious cycle of more aid and greater dependence, with no break in sight.

It's an easy life, he says, but the aid can only last so long.

"One day or another, under the

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economy improves. Tourism is in a major slump, imports rose 5 per cent last year to US\$920 million while exports amounted to US\$103 million, of which only US\$46 million was locally produced, mostly from sales of black pearls.

Agribusiness, fisheries and aquaculture haven't shown any signs of becoming big employers or export earners despite millions spent in recent years on world-class R & D. And this exposes the gaping flaw in Mitterrand's economic diagnosis: the totally distorting effect of the *Centre d'Experimentation du Pacifique* (CEP) and the *Commission d'Energie Atomique* (CEA). To keep its nuclear force up with the superpowers, France pours about US\$55 million per month directly into Tahiti's economy. The CEP alone provides 12.5% of local jobs, 55 per cent of all the territory's external financial aid, accounts for 28 per cent of imports and 22 per cent of the GDP.

The crushing impact of the CEP/CEA can be seen in the employment figures over the past 25 years. In 1962, before the CEP moved to French Polynesia, the primary sector provided 54 per cent of jobs and the tertiary only one third. Today the service sector provides nearly three-quarters of all jobs and the primary sector only 11 per cent.

Today French Polynesia's main business is government. More than a third of employees are in the public sector (22 per cent in France), recycling metropoli-

tan subsidies, particularly by spending inflated wages on imported goods sold by the rest of the tertiary sector at notorious markups. Tahiti's high cost structure — caused by *le smig*, a guaranteed minimum wage of US\$800/month (on a par with France), its welfare system, and import taxes ranging from 20-200 per cent — poses a daunting disincentive to potential investors.

So Francois Mitterrand struck at the core of French Polynesia's handout mentality by strongly suggesting the Territory soon adopt a direct tax on incomes. "The Polynesian tax system," he said, "based almost exclusively on consumption, can hardly respond to the obligation to distribute wealth more fairly." French Polynesia, he added, couldn't continue to be an exception within the Republic.

It sent a shiver through the middle class achelons of government and private salaried workers. Personal income taxes would hit the most, rather than the small proportion of extremely wealthy businesspeople. The main political parties rely on the middle class salaried voters so, with a difficult territorial election looming next March, it was no surprise that Territorial President Alexandre Leontieff indicated it would be politically expedient to leave the issue for the next Parliament.

The Territory raises about 80 per cent of its annual budget — US\$750 million

this year — from import taxes, so Leontieff's evasion was understandable. But it was precisely the attitude which Mitterrand addressed in his speech calling on the Territory to apply some rigorous accounting controls, and live within its budget. Leontieff insisted the 1990 budget would be balanced: a feat only possible after he'd squeezed Paris for a multimillion dollar to pup to compensate for a drop in revenue from the CEP's cutback in staff and imported materials.

Mitterrand said Tahiti, with the constant support of the State, now enjoyed "responsibility for its own affairs, the mastery of its own destiny". The territory should settle down to explore its existing powers under the 1984 Statute (and modifications soon to be ratified by the French Parliament), exploring autonomy "to its limits".

Asked if this meant progress from autonomy to independence, Mitterrand's replies suddenly became vague, with the changes in Eastern Europe, France had already indicated it would take part in any disarmament moves, including what Mitterrand obviously views as the remotest chance of a test ban. France "won't be the last to disarm", he said, if there's a widespread agreement. "But until then, the CEP will continue its work."

As the French say: he who pays, controls. And, Tahiti hopes, vice versa. □



Selling fish from the back of a van.

weight of inequality and its accumulated violence, there's going to be an explosion," he said.

Like the one in October 1987, when all the tensions of Tahiti's growing social inequalities, came together during a dockworkers' strike. In central Papeete, near the market, one empty shell of a

shop stands as the sole reminder of the night of burning, looting and rioting which left Papeete looking like a war zone.

The outburst destroyed eight buildings, damaged more than 100 others at a cost of US\$50 million.

Tahiti's consumption-based economy,

warns President Francois Mitterrand, cannot redistribute wealth fairly. Papeete's politicians should urgently consider taxing income, slowing down the spend, spend of the *smiggies*, and encouraging investment in productive activities. Low cost housing and job training schemes are short term measures. What Papeete needs is jobs.

But Territorial President Alexandre Leontieff is preparing for a tough election in March so the tax debate is off until next year, if ever. Meanwhile, Papeete will soon get something new to spend money on — lotto. Leontieff expects Tahitians will spend US\$10 million on it annually.

A parable of neocolonial consumerism. "Most of our cars are from Europe so they have yellow fog headlights. We have no fog here. And when it rains, as it does in Papeete, it's very hard to see at night with these yellow fog lights."

Papeete is a Chinese kind of town. About 100 Chinese labourers came to the town in the late 1860s when the Ati-maono cotton plantation went bust. They

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KAREN MARONAL

Smile: A Papeete dance group leader during last month's celebrations.

started as peddlars and market gardeners but within a decade had begun buying up land around Papeete's market. They became butchers, shopkeepers and restaurateurs and erected a new type of building: a groundfloor shop or restaurant with living quarters above, and awnings to protect clients from rain and sun.

By 1900, there were almost 80 licenced Chinese traders — their population boosted by the California expulsions and the wave of migrations from China.

Over the last years, they've Frenchified their names (count the Yongsues in the phone book) and taken over Papeete's commerce.

Robert Tanseau is one of the new breed of Chinese entrepreneurs. American educated, at 38 he owns three Shop Tahiti clothing outlets, a business he started himself. He wears a solid gold watch and chain, has an office in the plush Valma Centre, and when asked how he's doing, shrugs: "Not too bad, that's all."

Tonseau's grandmother migrated to Tahiti from China about 70 years ago. His parents were born in Tahiti and still run a grocer's shop in Papeete.

"If you go around town you'll see a lot of Chinese stores," he says. "There are a few Chinese in the islands but the agglomeration is in downtown Papeete."

Tanseau says the Chinese make up at most 6 per cent of the population, but they hold a lot of economic power: "They're very hard workers and work on

The Chinese have the power but they don't have the people

a family basis."

Despite the inevitable jealousy such success brings, Tanseau doubts it will ever cause racial conflict like in Fiji or New Caledonia.

"In Tahiti, the Chinese have the power but they don't have the people. So that Tahitians are still living in their own country because they're a majority."

He attributes racial hostility in New Caledonia and Fiji to the fact that the major races "didn't have the chance to live together". The Chinese in Tahiti had abandoned their belief in living as a closed community: the younger generation was mixing more with the other races, French and Polynesian.

"Today you see a lot of Chinese living well with the French or Polynesians," he says. "But in Fiji, it is very very rare to see a Fijian and Indian married."

Such integration was inevitable, given Tahiti's Polynesian cultural roots and the French dominance of the education system.

"It is very difficult for today's generation to understand the past very clearly. My generation didn't get the chance to learn the Chinese language, roots or culture because it was a French education

system and we didn't have the choice."

Tanseau describes himself as Polynesian with Chinese thinking. "The Chinese thinking makes the whole difference: it's more detailed than the Polynesians," he says.

But the Polynesian culture has taught the hardworking Chinese "happiness of living".

The older Chinese generation didn't know how to enjoy life because of their sheer drive for survival, Tanseau says. "But the Polynesians, being in their own land, enjoy living more. Integration is very good. The more integration you have, the more life goes easy."

Some occasional observations on Papeete from its connoisseurs:

"It has to be one of the most subsidised places in the world. There's not much prostitution here, they give that for free. But there's a prostitution mentality; how much money will you give me for this? How much money will France give me?" And:

"The French and Tahitians are very similar in some ways. Papeete combines some of the worst characteristics: you put the Tahitian attitude of *fiu* with the French *laissez faire* and it's terrible."

Hollywood and the nuclear bomb can be considered the parents of modern Papeete.

In 1961, Hollywood's MGM studio decided to remake their 1930s blockbuster *Mutiny on the Bounty*, with Marlon Brando starring as Fletcher Christian. It coincided with the opening of Tahiti's new international airport at Faa'a and by November that year, MGM had more than 100 staff on location. Hundreds of Tahitians were on the MGM payroll as extras or technicians.

The unheard of payrates knocked the bottom out of the local labour market. "I used to get my trees aluminium-banded for five francs each," complained one plantation owner. "Now I offer 10 or 20 francs but nobody's interested. They're working for MGM."

Production squabbling dragged the filming on for a year. By the end, MGM's largesse had filtered into virtually every Tahitian home. The filming and a new burst of tourist had placed a premium on accommodation, pushing rents and property prices through the roof. Agriculture was abandoned as Tahitians began the exodus to Papeete and its environs which continues to this day. The service industry — cafes, restaurants, hotels, shops — boomed and prices rocketed.

Then the film crews departed, leaving Papeete desperate for something to take up the slack. They didn't have long to wait.

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Papeete backstreets: away from the glitter of the commercial facade.

In 1963, President Charles De Gaul announced Tahiti, and Mururoa in particular, would host France's nuclear test programme. Local politicians had barely drawn breath to object when Papeete was flooded with 5000 soldiers, Foreign Legionnaires, and technicians.

There were no houses ready for them so they set up tents and then moved into hastily built shacks with no sanitation. Out of 35 acres of reclaimed coral reef, they created the Port of Papeete, a white claw dominating the town's harbour.

The expansion drew a huge workforce from the outer islands and a new wave of business people came out from France to cash in on the service industry boom.

Papeete's population exploded to 15,000 people, creating insurmountable problems for the municipal council.

The arrival of the Contra d'Experimentation du Pacifique (CEP), polarised politics. At first the opponents of nuclear testing, Pouvanaa's fellow activists for internal economy, were in the ascendant.

Through the 1970s, the pendulum swung over to Pouvanaa's nominal successors whose agenda focussed on tapping into the massive French subsidies to mitigate rather than oppose the socioeconomic impact of the CEP.

In 1977, Jean Juventin led Pupu Here Aia to a sweeping victory in the Papeete municipal elections and the new majority settled down to old preoccupations:

"Reconcile the town with its more disadvantaged citizens, correct the mistakes

Papeete makes the chase easy. It has ... a dozen nightclubs

created by massive urbanisation, invent a new lifestyle and social interaction, renew the old and rundown areas, ease traffic flows and encourage a true collaboration with the town's residents."

The formula, actually delivered by Juventin at the May 16, 1990 Town Hall opening, has been a constant throughout Papeete's history.

Back in the 1880s, after King Pomare V finally ceded Tahiti to France, the Colony's General Council complained nothing was being done to help the chiefs of Pare to cope with the huge technical and financial demands of Papeete, a port of some 3000 residents.

On May 20, 1890, Papeete became a French Commune or municipality and the leader of the General Council, Francois Cardella, also became mayor — setting a trend of cross-fertilisation between territorial and municipal politics which continues today.

In 1891, a fellow councillor, Victor Raoulx, railed against Papeete's "infested hovels", its "piles of excrement" breeding infections, and the danger to public health by having abattoirs within the township. Raoulx caustically drew a contrast with the large sums of municipal

funds devoted to entertainment and dances.

In 1950, Robert Auzelle drew up Papeete's first town plan while deploring its overcrowded and rundown buildings, built on swamy ground often soaked with excrement because of bad sanitation systems.

Last month, Juventin said: "Only 100 years ago, Papeete was mere swampland. A century has not been long enough to overcome this great handicap."

The priorities? A new sewage system, a new road flanking the town to relieve traffic congestion, and a five-year State-sponsored programme to replace the *bidonvilles*, or slum areas, with low-cost housing.

Says a local politician on the problems of independence:

"Our problem is we live beyond our means. But it's done. There's nothing we can do about it. It's just too bad we've become a totally subsidised country. It's too late to say we wish it wasn't like this.

"The average Tahitian family is very, very materialistic. We cannot ask them to forget their video, their colour tv, their cars. If we ask people to sacrifice their material standard of living, to go back 20 years, there would be a riot.

"What we must do is prevent the inflation of this materialistic mentality. But it's true, we must stop somewhere."

Everyday when you open the newspaper, at every festival or public ceremony, they're there. *Les Miss*. The beauty queens. Dozens of them. Virtually every company worth its promotions budget sponsors a Miss.

The French sailors on R & R like to have their photos taken beside a Miss. "You see her," points one, a white line between his sunburn and new crew-nut. "That's a Miss Tahiti. I'm Mr Tahiti." And rushes off with his instamatic.

"I've never been chased as hard or as deliberately by women as I have since I got here," says a New Zealander posted to Papeete by his company. "It's practically the national sport here. I've heard it described like that as a joke, but it's actually true."

Papeete makes the chase easy. It has more than a dozen nightclubs not to mention the late-night bistros, bars and restaurants. Then there's the stroll. On an evening, you wander along the Boulevard Pomare, or to eat at dozens of *roulottes*, food vans, lined up with their neon singls along the waterfront.

It's a ritual almost as old as Papeete, writers earlier this century described it, only half jokingly, as the meat market.

Papeete has had 15 Aids deaths, with about 80 carriers diagnosed so far. □

THE REGION



Let's dance: Mara and his diplomatic guests

FIJI

More than a birthday

By Jale Moala

THE last planeload of visitors had just landed when the tall, imposing figure of Ratu Sir Kamisese Mara strode across the village square, hands swinging lazily by his sides. He took his time, listening to the sounds of the village. All around him, a thousand people watched their paramount chief approach, and with awe, sank slowly to the ground to sit with respect.

Installed nearly 20 years ago as paramount chief of the sprawling Lau Group of islands in Eastern Fiji, Mara has become the most influential man in the country, having led Fiji for 23 years from before independence to after the coup. As he walked across the village square to meet his guests, many more people were working at home to prepare for his 70th birthday feast, the biggest birthday celebration in Fiji at any time.

That was Friday, May 11. On Saturday, the main event of this big birthday bash culminated with a big feast and ended a week-long celebration of dances,

arts and craft, food crop competitions and sports. His special guests comprised diplomats and key businesspeople and executives. The whole Lau Group was represented. His village of Tubou, the biggest in Fiji with a population of more than a thousand, strained its resources to accommodate the newcomers who more than doubled the population.

Mara marked his birthday by inviting the Deputy Editor of *The Fiji Times*, Mosese Velia, ("I was woken by a messenger,") for an exclusive interview. The past 70 years were generally good. Mara served his country as a prominent public servant and for the last 23 years as Chief Minister from 1967 to 1970 and then Prime Minister after independence from 1970 onwards. Says one observer: "Ratu Mara has many admirable qualities and his achievements and contributions in many areas in leading this country for such a long period are beyond dispute."

But, as told Velia that morning in Tubou, there was one dream Mara failed to fulfil: Fiji's Indian community had rejected his concept of multiracialism. "This is one of the biggest regrets of my

life," he said. "If only the Indian community had kept faith with me in the 1987 general elections Fiji would have continued to run more smoothly and made greater progress socially, economically and politically." Mara was referring to the fall of his Fijian-dominated Alliance Government in the 1987 general elections. An Indian-dominated Coalition party, led by former civil servant Dr Timoci Bavadra, took power only to be ousted by the Pacific's first military coup a month later.

Throughout his terms of leadership Mara has been conscious of his growing international image. Any attempt to knock it, particularly by the press, often received hostile reactions. In general, the man's accessibility to the press, or lack of it, has often been compared to media-friendly prime ministers like Lange.

The interview with Velia was again an opportunity to launch an attack against the press. "That's another big regret of mine — we have an uncontrolled and irresponsible press," said Mara. "In all the years I have been a victim of continuous and prolonged campaign of denigration and personal vilification by a press that lacks balance, professionalism and a sense of responsibility. You people

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have never given me a fair go." Mara accused the press of being biased, saying that items of interest to the public released by the government to the press was often cannon fodder for the Opposition, material which they were allowed "to carry on and one about forever".

Mara's sweeping generalisations, as one local observed, hurt an already vilified local press now under constant attack by a very vocal Ministry of Information. "What the prime minister has said is not new. He has spoken out time and time again against the plethora of inaccuracy, irresponsibility and lack of standards among some journalists and in sections of the media," said Information Minister Ratu Inoke Kubuabola in a letter published by *The Fiji Times*. Kubuabola was reacting to a letter which questioned Mara's "generalised and exaggerated" attack on the press.

Kubuabola's reaction was ruthless. Its tone even worried some members of his staff. Kubuabola alleged the questions raised against Mara's accusations were "gross insult to a high chief" and that the *The Fiji Times*, because it published the letter, was "part of a total conspiracy against Ratu Mara and the interim government". He even accused *The Fiji Times* of "discrimination" by not writing an editorial comment paying tribute to Mara on his 70th birthday. This was despite Mara's birthday events receiving good picture and word coverage in *The Fiji Times*.

Kubuabola, is the most vocal information minister to come under Mara's leadership. Yet, without intention, his letter in *The Fiji Times* is opening new debate on the roles of Fijian chiefs in politics. Can a chief really afford to wear two hats? Or should he separate his roles, one customary and another political? Should Mara, for example, shelter behind his customary privileges while wearing the prime minister's hat? Or should he, as an acknowledged political animal, play his two roles separately. Some say that when Mara is a politician his customary followers should expect and accept probing analysis of his track record.

The media debate was mostly on paper, although some journalists felt that the government was successfully giving their profession a dirty name, particularly when someone like Mara, being chief and all that, entered the arena. This debate, however, made little ripples outside the country. What brought Fiji back to the headlines all over the world was the sudden expulsion of the Indian embassy from Fiji.

On Wednesday May 23, the Ministry of Foreign Affairs issued a six-paragraph aide memoire ordering the Indian embassy to close within 24 hours and all Indian nationals working there to be out

of the country in 14 days. Fiji gave four reasons for its action; India's intention to launch an international campaign against Fiji, India's ban of trade with Fiji, India's resistance to Fiji's re-admission to the Commonwealth, and allegations the Indian embassy in Suva was interfering with Fiji's internal affairs. The embassy described as "blatantly incorrect" the allegation it was interfering with Fiji's internal affairs.

The Coalition Party, campaigning for a quicker return to parliamentary government under an unbiased constitution, used the expulsion of the Indian embassy and its foreign staff as ammunition against the government. "People in Fiji who are of Indian origin will now have greater cause to feel uncertain of their future," said Coalition leader Adi Kuini Bavadra in a statement she released while visiting Sydney. But Dr Balwant Singh Rakka, president of the Indian-dominated National Federation Party, a partner in Adi Kuini's Coalition, said the absence of the Indian embassy should not affect Fiji's Indians because they are Fiji citizens.

Nevertheless a protest was organised and many Indians closed their shops in key urban centres for a day. That gave Rabuka, now out of Cabinet but still commanding Fiji's 5000-strong army, reason to lash out: "The stop-work protest, though of limited effect, showed the hand of provocateurs at work and raised the question of where the ultimate loyalties of local Indians lay. Indians taking their orders from New Delhi cannot be condoned. It's a sensitive issue, this loyalty thing."

Fiji is expected to return to the polls next year under a new constitution which gives the indigenous Fijians numerical superiority in parliament, and guarantees other customary rights. Mara said that despite it giving the indigenous race a political advantage, the new constitution will guarantee and protect the fundamental rights and freedoms of every citizen in Fiji.

Indian Affairs Minister Irene Jai Narayan, once a stalwart of the National Federation Party, acknowledged the futility of trying to revise the draft constitution that the Great Council of Chiefs is expected to approve later this month. "Frankly speaking as far as I know it is impossible to have any changes now," she told members of the Indian Advisory Council, a government-sponsored organisation that promotes Indian-related rural development. "There is a provision for review of the constitution within seven years after its promulgation."

Narayan is the only Indian member of the interim government. Her speech was a passionate plea to the Indian community in what was an attempt to best analyse the situation in Fiji by a Fiji Indian: "His-

tory does not always permit us to mould our future as we please. Very often we have to reckon with conditions not chosen by us but which we encounter. To deal with the conditions we are facing today we need patience and foresight, understanding and tolerance and goodwill and cooperation. We must be thankful that despite the two military coups in 1987 there was no blood shed in this country and I know this was so because while we Indians are peace-loving people, the Fijians are deeply religious people . . . they are generous and kind-hearted by nature and sharing and caring is their way of life. We should not keep on looking back to remind ourselves constantly of the events that were painful to us. The future is the more important thing. Despite all the upheavals of 1987 we still live together happily and peacefully."

While Fiji is yet to regain full pre-coup relations with its traditional international partners, thawing of hardline attitudes to the post-coup administration is beginning to appear. New Zealand has released a report of its South Pacific Policy Review Taskforce calling for the rebuilding of relations with Fiji. The report recommended the restoration of ministerial contact and the resumption of maritime surveillance flights by the Royal New Zealand Air Force. "It is maintained that the nature of government in Fiji, and its relations with the substantial Indian population, are matters for the Fiji people and none of New Zealand's business," the report said.

In Australia there has also been some concern about regional security and military cooperation with Fiji which was suspended after the coup. In Parliament, Foreign Affairs Minister Gareth Evans has had to answer questions regarding Australia's reaction to Rabuka's trip to China, South Korea and Malaysia and his announcement the Fiji Military Forces might get military assistance from those countries. Evans doubted any firm commitments were made between Rabuka and the Asian countries he visited but it was "an issue of continuing interest" to his government. Said Evans: "We will continue to monitor carefully any arrangement which might emerge."

When the band of the Fiji Military Forces played *Happy Birthday* to Mara at his village on May 12, the Prime Minister, the diplomats, the businesspeople and executives, and the loyal subjects of Fiji's most influential chief were moved. They were in another world where the political problems of a 20-year-old independent nation were absent. And as the brass band marched away towards the sunset, and the young started to dance on a pleasant evening, one observer turned to another and said: "This was the Fiji I liked." □

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UNIVERSITY OF THE SOUTH PACIFIC

Unity on island choice

By Angela McCarthy

THE University of the South Pacific Council's appointment of a Pacific Islands Citizen, Fiji's Savenaca Siwatibau, as Vice-Chancellor designate signals fresh commitment to the university as a unified regional institution. The council says Siwatibau is a Pacific Islander with experience in both administrative and academic fields, regionally and internationally. He is currently the Director of ESCAP, the United Nations programme, in Port Vila.

In 1989 the university council decided that as part of its policy of regionalism the Vice-Chancellor position should be taken over by a Pacific Islander when British-born Geoffrey Caston's term ended in 1991. The difficulty was finding the right person for the position. A committee consisting of three Senate members, five Council members, and the President of the Student Council was set up early this year to begin processing applications. Eight nominations were received after worldwide advertising that

stipulated the applicants should be from the Pacific Region. Siwatibau, Salofa Isakea, of Western Samoa, and Dr John Roughan, and American citizen of the Solomon Islands, were shortlisted, being the only Pacific citizen applicants.

Council Chairman Henry Naisali said Siwatibau "is one of the best resource persons in the region and I respect him for he's a committed and dedicated man. I find it difficult at this time to see others of Siwatibau's level in the region. The region and university will benefit a lot from his past experiences when he takes the job". James Saliga, Solomon Island Permanent Secretary of Education, like most Council members, agrees: "It is time to have someone who knows the region and the people and understands our problems as an insider. He is a regional man and a man of high standing in the region academically and administratively. He is also a man of international reputation. His strength is that he will be able to pull everybody together. He can unify."

A unified front was certainly shown over the second major decision council made which was to organise an independent review of the 22-year-old university. Atanraoi Baiteke, Secretary General of the South Pacific Commission, pointed out that the review, like any regional institutional review, will be concerned with broad issues such as objectives, structures and directions for the nineties.

Naisali suggested an initial focus on specifics such as irregularities in staffing appointments and dismissals. However, the Senate which must be consulted by the Council members on academic matters, felt that the incidents mentioned in the recommendation were not of a serious nature and had been resolved satisfactorily.

With all the dissatisfaction, whether blown out of proportion or not, the decision to have a review under whatever terms of reference is seen as the right way to clear up all apprehensions and set policy for the nineties. "It is very timely," says Saliga, who adds that the Solomons is worried about the university administration. "All is not well. We have to have a review and it should be done before the new Vice-Chancellor arrives so he can get on with his job and not be tied down by past problems." □



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THE REGION

BOUGAINVILLE

The crisis deepens

By Frank Senge

THE Bougainville crisis came to a head in May. As Waigani, the hub of Papua New Guinea Government, in Port Moresby, tried to govern its North Solomons province, the opportunity for any form of peace negotiation slipped further and further away.

At time of writing, there was no reliable source of information from Bougainville except those that the Bougainville Republican Army (BRA) released. There was a total communication black-out, the result of a Government economic blockade of the island. The Bougainville Republican Army had declared the island independent but despite appeals to foreign Governments within and outside the region, there had been no public recognition of it. Meanwhile, the sanctions were digging in deep. Fuel supplies were short. Kerosene had run out and other basic necessities were running out, as shipping dwindled.

One group, the Nissan islanders, pledged to break away from Bougainville. Now, the PNG Defence Force under a call-out order is amassing troops on Nissan for what its command claims is a "reconciliation, reconstruction, and rehabilitation" exercise and disclaim any plans to retake Bougainville militarily. The island and its mentor were slipping wider and wider apart. It seemed, in March and April that finally peace and some form of compromise was around the corner when the Government and the Bougainville Republican Army agreed to negotiate. Although, each side maintained that secession was non-negotiable for opposite reasons, there was a lot of hope at what Melanesian consensus could bring through negotiation. Then, something very petty such as the location for the negotiation wedged itself in between the two and failed to come unstuck.

The BRA maintained that all negotiations would be conducted at the Panguna mine, the Government opted for more neutral ground. Eventually, both the Solomon Islands and Vanuatu offered their capitals as venues. BRA would not budge and the Government steadfastly refused the BRA's choice for "security reasons". In the meantime normal activity on Bougainville began to



Difficulties at home: Namaliu in Washington with Congressman Stephen Solarz, chairman of the Asian and Pacific Affairs Subcommittee of the US House Committee on Foreign Affairs.

close down or withdraw. Bank closed down, then the post office. Basic necessities fell short as shipping into the area dwindled. On May 2, Papua New Guinea Cabinet issued an order to all mariners operating in and around Bougainville island that an exclusive 50-mile zone was in force around the province. All unauthorised vessels operating within the exclusive zone would be fired upon without warning.

The exclusion included airspace of up to 20,000 feet. One week later, on May 9 the Government announced selective sanctions against Bougainville island.

Only those ships bearing very bare essentials mainly to the hospital on the island were to pass through. On May 17, the Bougainville Republican Army replied by declaring Papua New Guinea's North Solomons Province a republic.

Rebel chief Francis Ona was appointed President of the new republic. The more popular and public figure of Sam Kauona was appointed Defence Minister in a new cabinet. Bougainville was retained as the name North Solomons Premier, Joseph Kabui and his agriculture minister, Michael Laimo were given senior ministries in the new republic. It

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finally confirmed allegations that Kabui had been an active collaborator of the BRA throughout the uprising. On July 2, 1989, Papua New Guinean riot squad policemen attacked Kabui and Laimo. Kabui was beaten with rifle butts and had his car tyres and wind screens shot out. Laimo is blind in one eye as a result of that assault. The incident looked like a payback for the wounding of six policemen by militants that weekend. The security force command expressed concern and promised an investigation.

The beating started a nationwide and international outcry against the security forces. The forces kept quiet and it is not certain if the promised investigation got off the ground at all.

PNG intelligence officers intercepted several letters written by the Bougainville Republican Army and countersigned by Premier Kabui requesting foreign Governments to recognise Bougainville as an independent state.

Kabui was also party to efforts by the BRA to print passports in Singapore.

However, no nation has openly recognised the declaration by the BRA. Both Solomon Islands and Vanuatu, members of the Melanesian Spearhead Group, have told Papua New Guinea that they would not support any push to fragment Melanesian solidarity. Solomon Islands has agreed to monitor its borders and to seal it off to traditional border crossers until the Bougainville crisis is resolved. Can it be resolved?

Waigani has adopted a wait and see attitude, hoping that the blockade will cause internal dissent and that dissent will eventually sort things out on the island of Bougainville. The PNG Defence Force in mid-May recommended in a secret brief that the island ought to be retaken in a military invasion. The brief stated that any such move should be aimed at capturing or killing Kauona who is seen as the strongest supporter of secession. The report was leaked to the BRA which circulated it to media organisations.

Defence Force Minister, Benias Sabumei, was furious and ordered an internal investigation but again ruled out any military invasion of the island. Yet military invasion is the next likely alternative if the blockade does not succeed. There is a fear that the blockade may have the opposite effect to its original intention and that those people who may have wanted to remain with PNG may eventually join the BRA.

The biggest question is how an independent Bougainville will fare? Will Australia and Papua New Guinea support its rebuilding process? Will the Solomon Islands and Vanuatu accept it into their fold? Will another multi-national be willing to take on Bougainville Copper?

PAPUA NEW GUINEA

Taking the battle to Washington

By David North

WHEN Papua New Guinea Prime Minister Rabbie Namaliu visited the United States he touched all the bases — a meeting with President Bush, dinner with former Democratic Presidential candidate Walter Mondale, chats with Congressman, the environmentalists and Texas investors and two press conferences.

PNG has been independent for 15 years, but this was the first time that a sitting Prime Minister had made the trip — and it went well for him and his small entourage.

His motives were dual: first, to assure American investors that the Port Moresby Government was in charge, and that mineral investments were safe; and, secondly, to build stronger contacts for his country at the highest levels in Washington.

The morning after his meeting with President Bush and Secretary of State James Baker he reported that the three of them spent three-quarters of an hour covering a number of matters of mutual interest. They discussed "... defense, the continuing and valuable role played by the [US] Peace Corps in Papua New Guinea ... and the possibility of educational scholarships at all upper levels of the Papua New Guinea Educational System."

In the first of his press conferences he sounded upbeat about the prospects for a peaceful solution of the stand-off in Bougainville. He blamed the underlying difficulties with landowners as being based on "arrangements made in colonial times," and said that his government will not accept secession for Bougainville. He reported in detail the results of the economic blockade of the area, saying that some schools were open and some closed, and that "only certain hospital services were operating."

The Prime Minister, who had stopped in Houston, Texas, to talk with mining investors, said that Chevron was submitting a proposal to the PNG government about an oil field in the Highlands, which would, if successful, lead to the construction of a pipeline to the sea. He was also optimistic about off-shore exploration of what he called "substantial resources of natural gas."

On other economic matters he talked about the Government's decision to cut the budget from K1.3 billion to K1.2 billion, both to reduce the budgetary deficit as well as the trade deficit; he said that, if need be, the Government would

consider increasing taxes, but saw no need for that in the immediate future.

One of the techniques for increasing revenue he cited are "assets sales"; included in that category are the sales of "certain ventures ... which are not paying dividends ... and lands and buildings owned by the Government which are no longer needed ...". He also said that PNG and the International Monetary Fund were in agreement about a line of credit, to help stabilise the PNG currency.

Following the first press conference, which was principally attended by Australian journalists, the Prime Minister moved on to Capitol Hill, and to his meetings with Congressman. He talked, among others, with Stephen J. Solarz (Democrat, New York), the chairman of the Asian and the Pacific Affairs subcommittees of the House Foreign Affairs Committee, as well as the ranking Republican on the full Committee, William Broomfield (Republican — Michigan), and the delegates from Guam and American Samoa, Ben Blaz (Republican) and Eni F.H. Faleomavaega (Democrat).

The Prime Minister's second press conference was held at the offices of the World Wildlife Fund and Conservation Foundation which was pleased with the recent PNG decision to place a moratorium on new logging licenses for the next two years. Conservation organisations are currently placing great emphasis on retaining the world's rain forests, which are seriously threatened, worldwide, by economic development, and the PNG decision was an important one for the environmentalists.

Namaliu took advantage of the conservation forum to call upon the nations that consume tropical lumber to restrict imports, saying: "If we are to effectively improve the management of our forests and to better conserve our natural resources, we will need the fullest support of the consuming countries to better control the activities of their own timber trade."

Saying that PNG's timber industry had been "running amok", the Prime Minister explained: "We will need the fullest support from these countries in controlling trading fraud, such as transfer pricing and misrecording of shipments ... It would be a major benefit if these countries could ... impose their own restrictions upon tropical timber not supplied from genuine sustainable yield projects."

THE REGION

TOKELAU

Where pigs can swim

By Irene Nisbet

PIGS can't fly — but on Tokelau, they swim. On Fakaofu, the first of the three atolls which make up the group, space is at such a premium that there's just no where else to keep the pigs except on the reef adjoining the main village.

Overcrowding, a thorny problem for the islanders, has been partially solved by re-settling some of the community on the nearby island of Fenua Fala, a few minutes across the reef by boat. The school and the hospital are now at Fenua Fala, and with lots of space available, it seems surprising that more people don't make the move.

Heavily dependent on New Zealand aid, and on remittances from Tokelauans living overseas, and having virtually no natural resources of their own, the Tokelauan's views and expectations from life are altering drastically. The cash economy has wrought a very visible desire for concrete housing and western consumer goods. Gone are the days of the dugout canoe. Aluminium motor-boats proliferate now, and very few households do not have a fridge, video or cassette player.

In the wake of Cyclone Ofa last February, the islanders are still making running repairs. From the second floor window of the administration building, one sees stumps of several breadfruit trees which were cut to prevent them falling on the office building. In fact, there were many mature trees which had to be felled for safety's sake, resulting in a loss which will take years to replace.

Nukunonu, the central island of the group, is also the largest in land area and lagoon size. It's not overcrowded. The island is dominated by the vast bulk of the whitewashed Catholic church, a couple of miles out to sea. Nukunonu has fewer trees compared to the other atolls, partly because of Cyclone Ofa, and partly because trees were cut to clear space for new buildings. There is hardly any natural shade left. The heat comes down from the sky, shimmers up from the coral and comes in from all sides of the concrete housing. As in Fakaofu, concrete housing is the norm.

Atafu, the third and smallest of Tokelau's atolls comes as a surprise after Fakaofu and Nukunonu. With only about 500 people living there, living space is reasonable. Many are still built with local materials. The church, London Missionary Society, has a strong influence on everyday life. Matauala school has a mural on the wall showing the



Children on Atafu in Tokelau: living space is reasonable

history of Tokelau. People are happy to talk about it.

Life in Tokelau was best illustrated by a young girl, Loi, who was visiting from New Zealand. She had her feet in one culture and her roots in another. She left Tokelau as a toddler to live in Wellington with her parents, and had a brief visit to Atafu on holiday in 1986. She was now travelling back to the island unannounced, to "try her luck for a year".

Her excitement increased as the ship got to Fakaofu, then Nukunonu. The night before sailing into Atafu, this girl in luminous skin-tight surfing shorts and t-shirt, who could just as easily have stepped out of a rock music video, was beside herself with excitement. She even wondered aloud if it were possible to swim ashore from the ship anchorage; to get to the island sooner.

"Where will you stay?" I asked.

"With my family, of course."

"But do they know you're coming?"

"No — they've no idea, but they'll be there when I get off the ship."

"Won't you miss Wellington, and television and burger houses?"

"Maybe". She looked a little doubtful.

"You know, the only thing is, I'll be sharing a couple of rooms with all the family. I suppose it'll be OK, but I'm used to having my own room at home. Still, it'll be alright, won't it?"

Dropping into a pensive mood, she went off to pack her suitcase. □

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ENVIRONMENT

Rubbish, rubbish, rubbish

SOUTH Pacific nations are under increasing pressure from the northern hemisphere countries to become a dumping ground for hazardous waste — and this pressure will grow even faster as the major industrial nations run out of alternatives for waste disposal. New Zealand's Associate Environment Minister Peter Dunne told the Environment '90 conference held in Sydney. The main attraction for Pacific nations was that becoming a garbage dump was a means to earn much-needed money, just as the Marshall Islands had been tempted last year to accept huge quantities of commercial and household refuse from the United States mainland.

The irony of this, as Dunne pointed out, is that many of the South Pacific states have not had even a chance to reap the material benefits the industrialised and heavily polluting countries had earned from the processes which resulted in all this waste. And, as these states develop, they will face greater problems disposing of even the waste they themselves have generated. He cal-

led on Pacific countries to work together because collective action could prove vital to the region's survival. "While we have contributed relatively little to global environmental damage, the fact is that we reap an unequal amount of the consequences of social, economic and environmental disruption and harm," he said.

Proposals to dump hazardous and supposedly safe municipal waste are constantly being made to island governments. But most do not have the technical capacity to evaluate the effects of such schemes; the Marshall Islands Government was attracted by the idea of building the height of an island using garbage to offset the rising sea level expected because of the Greenhouse effect but did not take into account the damage caused by the garbage leaching into water supplies and marine ecosystems.

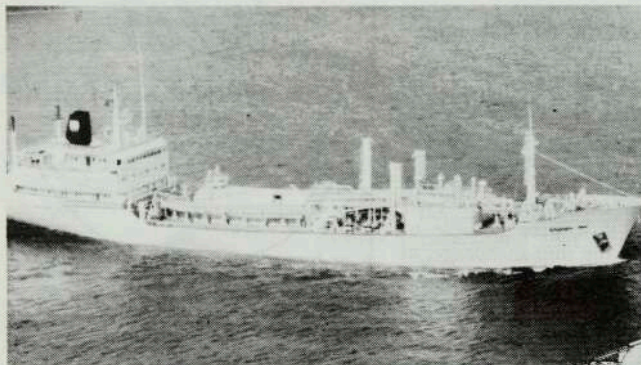
"I think the Pacific will become increasingly targeted not only because it's a vast isolated area with plenty of space but because it is going to become a major area of economic activity," said Dun-

ne. "The real difficulty in all of these situations is that you've got countries that are strapped for cash suddenly presented with something that looks like a real earner".

The region still has a very diverse range of species, especially on the bigger islands in Papua New Guinea, Solomon Islands, Vanuatu and New Caledonia. More importantly, the islands by the fact of their isolation had many endemic species — New Caledonia, for example, has 3250 native species of which 76 per cent occur only in that territory.

Pacific states also face the possible consequences of deforestation. Papua New Guinea is belatedly moving to slow down the destruction of its trees, but landowners there — as in Vanuatu and Solomon Islands — see the arrival of Japanese or Taiwanese timber companies as bringing new roads and wealth through royalty payments. Dunne adds the factors of population pressure, need for fuel and demands for agricultural land as adding additional pressure to rainforest areas in the island states. "The implications of stopping agro-forestry activities are profound," he said. "The survival of small communities and the rights of self-determination for small states are at stake". □

THE PACIFIC ISLANDS RELY ON THE ENERGY OF BORAL.

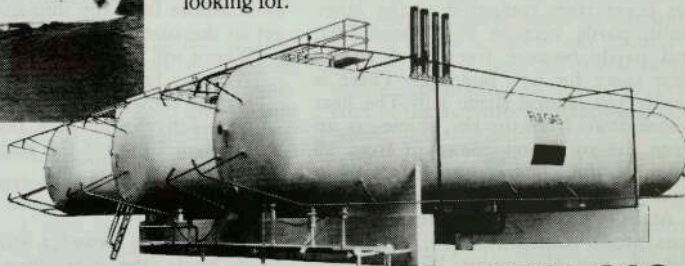


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PACIFIC ISLANDS

M O N T H L Y

BUSINESS

The Fiji comeback

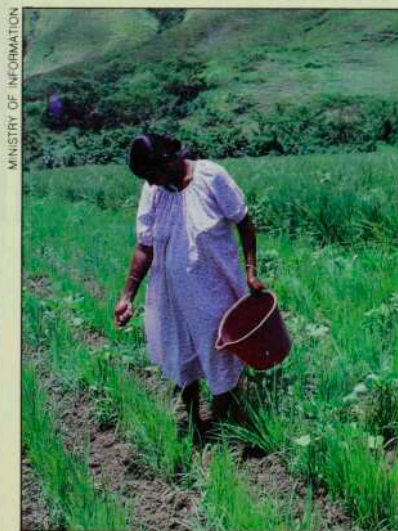
Post-coup recovery shows the best economic growth in the region

By Robin Bromby

FIJI was the economic star of the South Pacific island nations in 1989, recording a 12.1 per cent growth rate while other countries continued to have a range of problems, according to the 1989 annual report of the Asian Development Bank (ADB). Papua New Guinea's economy stagnated, while smaller member countries — Cook Islands, Kiribati, Solomon Islands, Tonga, Vanuatu and Western Samoa — all showed some growth, even those islands which had to contend with cyclone damage.

In Fiji, where the economy was making a comeback after the 1987 military coups, the agriculture sector expanded its output by 12.8 per cent, with sugar leading the way. Manufacturing, led by garments, grew 19.7 per cent. Papua New Guinea's economy stagnated largely due to the closure of the Bougainville copper mine, but the ADB also noted the declining trend in agricultural output — the end effect being a standstill for per capita income. Economic activity recovered in Tonga and Western Samoa; in Tonga, progress was achieved in agriculture and fisheries, while farming and manufacturing in Western Samoa stimulated growth. Cook Islands and Vanuatu were helped out of their post-cyclone problems by tourism, while Kiribati's economic activity was hampered by continued falls in world copra prices. Solomon Islands slowed down despite increased fisheries production.

The bank reported that inflation was generally down in the region during 1989. Fiji recorded 6.5 per cent as did Western Samoa (largely due to a decline in food prices), while the Solomon Islands managed a considerable reduction from 17.1 per cent to 10.8 per cent, while increased prices for import goods resulted in a 6 per cent inflation rate in



Rice farming in Fiji: help urged

Papua New Guinea.

Falling prices for agricultural commodities meant a deteriorating export performance for most of the smaller developing Pacific nations. The bank's report noted that prices for coffee, cocoa, palm oil, coconut oil and copra declined by between 10 and 15 per cent during 1989. Fiji was more fortunate, with sugar receipts climbing by nearly 20 per cent as world sugar stocks reached their lowest levels in nearly a decade.

The fall in copper and gold prices affected both Fiji and Papua New Guinea — in the latter's case the closure of the Panguna mine meant tight monetary and fiscal conditions to maintain a manageable balance of payments.

In Vanuatu, the ADB report said the Government's budgetary situation had been very precarious in recent years with a continuing deficit of about five per cent of gross domestic product. As the

economy stagnated in 1989, significant expenditure cuts had to be made last year.

Looking ahead, the bank identified manufacturing as the key sector in Fiji, while in Papua New Guinea emphasis would continue to be placed on small-holder development. The smaller member nations would need help to increase their capacity to absorb external assistance.

In Fiji, the ADB said it supported efforts to revitalise the economy, consolidate economic recovery in the short-term and broaden the long-term base of the economy. An equally important objective was to achieve a wider spread of the benefits of development, and to expand employment and income opportunities. The bank urged continuing assistance to the agriculture sector, particularly for smallholder development and agricultural diversification. The tourism sector was also important in broadening the country's economic base, but manufacturing was the key sector in increasing exports and in the structural transformation of the Fijian economy. Resource-based processing industries (sugar, coconut oil and sawmilling) had strong linkages to other sectors.

The bank's operational strategy for Papua New Guinea is geared to develop smallholder agriculture, fisheries and forestry, but also to broaden the industrial base through private investment in small-scale and medium-scale agro-industries and manufacturing.

For the smaller island states, the strategy would include diversifying and expanding agricultural output, tap local energy sources and promote import substitution activities. The bank was looking at proposals to provide more small amounts of seed capital for small scale entrepreneurs.

Meanwhile Fiji is considering a new South Pacific trade pact which will allow other island Forum countries better access to its market. Trade and Commerce Minister Berenado Vunibobo told a recent business conference at Korolevu

BUSINESS

Controversy over Fiji sweat shops

CONTROVERSY continues to surround the garment industry in Fiji, with the industry attacking unscrupulous operators and the union concerned calling for a council to monitor wages and conditions.

Garment Manufacturers Association chairman Padam Lala said "a handful of unscrupulous operators" were tarnishing the image of the entire industry. He was commenting on revelations that some workers in the clothing factories were receiving as little as 9 cents an hour. A survey by the Ministry of Employment and Industrial Relations showed that in 63 per cent of factories surveyed, workers were receiving less than 51c an hour and, in 81 per cent of cases, no overtime rates were paid. Rates varies from 9 to 13c an hour for beginners, 50c for machinists and up to F\$3.50 an hour for foreman and supervisors.

Lala said the news came as a disappointment. "I have repeatedly been given assurances verbally, and in writing, by members of my association that the minimum rate prevailing is 60c an hour for unskilled and new employees," he

said. The 60c rate had been agreed to by manufacturers in the absence of any formal training programme for garment workers. Lala described the low wages revealed by the survey as "unfair and irrational".

The Fiji Association of Garment Workers, in calling for a wages council, said about a third of garment manufacturers in Fiji had honoured commitments on wages. Association secretary Ema Druavesi said the garment industry had agreed in 1986 to a minimum wage of 50c. One worker involved in piece work received just F\$5 a week after tax. She urged that the wages council should include representatives from the Government, workers and employers.

The union said some workers complained that they received less than the amounts on their payslips but when they questioned the employer they were told nothing could be done about it. Others said they missed tea breaks because they had not completed enough work. Most factories had improper seating — benches rather than chairs, and many factories had inadequate ventilation. □

Honey production increases

ALL honey consumed in the Solomon Islands will be produced domestically by the end of the year, replacing the 20 tonnes imported from Australia and New Zealand each year. Honey is now being produced in most provinces, with the main concentrations in Western and Malaita. The Solomons is now also manufacturing hives and has received orders from New Zealand.

Labour deregulation considered

PRIVATE employers may be allowed to offer more competitive wages for workers with specialised skills, under labour deregulation proposals now being considered by the Fiji Government. The Secretary to the Government Poseci Bune said the move was part of the Government's strategy of developing and maintaining skilled manpower resources — resources which have been hit badly by the large-scale emigration of skilled workers since the military coups.

Bune said there would also be upgrading and re-orienting of major training institutions to become more responsive to employer needs.

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that such an agreement could work along the lines of the South Pacific Regional Trade and Economic Co-operation Agreement (Sparteca) under which Forum nations have almost free access to the Australian and New Zealand markets.

"There are those in the region and in New Zealand who feel that Fiji is not committed to this region," Vunibobo said. "Nothing could be further from the truth."

It was Fiji's hope that there would eventually be a regional free trade zone, but the first step was to set up free trade between the island countries.

But his government would also be pushing for other major nations to join Sparteca, and thus allow the Pacific Island nations access to their markets along the same lines, and he nominated Canada as one possibility. Vunibobo said even though Fiji was a new and still very small player in the global apparel market it was clear that trade liberalisation was crucial to Fiji's economic interests. "The interests of Fiji and we believe that of New Zealand and Australia lie in strengthening the GATT (General Agreement on Tariffs and Trade) process and attempting to avoid the rise of protectionism," he said.

The conference was also told that merchandise trade between New Zealand and Fiji has increased by more than 200 per cent since 1987, and reached F\$238 million (US\$157.9 million) last year. New

Zealand External Affairs Ministry official Graham Ansell said from his country's viewpoint Fiji had now become one of New Zealand's fastest growing export destinations and an important market in its own right. Of the F\$238 million, F\$87 million was accounted for by merchandise exported from New Zealand, the balance being goods flowing out of Fiji.

"Fiji as an economy and as an export market is clearly in a different category for New Zealand from other Pacific Island countries," Ansell said. "Over 50 per cent of the value of all of New Zealand's trade with Forum island countries is with Fiji." Fiji now outranked trading partners such as Indonesia, Thailand, Saudi Arabia, India and Spain. □

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BUSINESS

Palau's \$150m deal opens new frontiers

By David North

PALAUAN leaders have signed a US\$150 million agreement with a Japanese consortium that could end a 10-year economic development stalemate and open Palau's frontier island for major tourism projects. The pact calls for the Japanese group to self-finance construction of a new international airport and a road system in central Babeldaob in return for the rights to operate the facility for at least 30 years.

The project took the form of March 22, 1990 Joint Venture Agreement between three Palauan state governors and COPROS Japan Co Ltd. Signing for the states were Governors Beches Etpison (of Ngatpang), Moses Uludong (Ngchesar) and Maidesil Rechuld (for Ngeremlengui). Signing for the Japanese company was COPROS Japan President Yoshinobu Choji, and Directors Tochiaki Watanabe and Hidoyoshi Ota.

The Palau national government is not a party to the agreement, though President Ngiratkel Etpison, who grew up in the islands' Japanese Mandate era and speaks fluent Japanese, has pushed for the project and personally endorsed it, calling the new airport and a new northern seaport the top economic development priorities of his administration. The agreement must be approved by Palau's state and national governments.

Though detailed construction plans were not available, the airport, which would be capable of handling fully loaded wide-bodied jets, would take four years to construct, and meet all United States aviation requirements and standards. The project's Palauan backers see it as the centrepiece of major hotel and resort complex that could make Palau a leading Japanese tourist destination in the Pacific.

COPROS, with an initial capitalisation of US\$1 million, would have majority control (60 per cent, while the states would have 40 per cent) in the joint stock company — Palau International Airport Corporation, which would construct, own, maintain and operate the airport, including its hangars, administrative buildings, control tower, fuel facilities and a supporting road system through the states to Koror, the island's present capital, major port and commercial centre.

The Airport Corporation would also have the authority to issue business rights and permits for construction and operation of hotels, resorts, restaurants, duty-free shops and other related facilities

at the airport site, and the agreement provides that the Airport Corporation and the three states would assist COPROS and/or its affiliates' to undertake tourism projects and help them obtain the required Palau Government licensed and clearances.

The states would provide the land for the airport and roads, obtain all necessary permits, rights of way and clearances, while COPROS and the Airport Corporation would select the construction firms. The Corporation would have exclusive rights to operate the facility and associated development for 30 to 40 years — until the construction costs paid by COPROS have been recovered from facilities' income. The airport would then be turned over to the states, while the Airport Corporation would retain business permits and concession rights under the new ownership. If successful,

the development would be the largest single construction project in the post-war history of the islands.

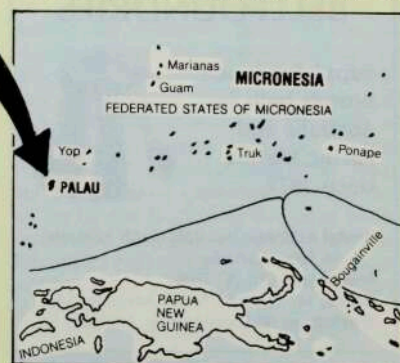
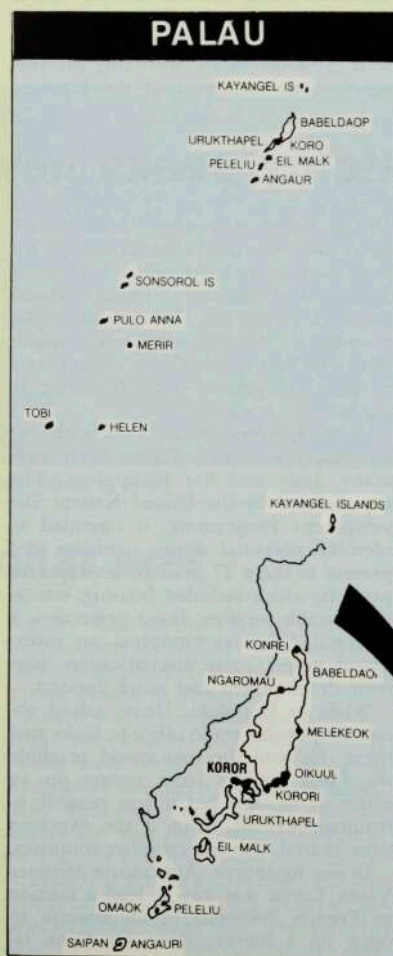
Palau's current airport, a 7000-foot asphalt strip built by the United States, cannot handle fully loaded jumbo jets. Room for expansion of that facility, located in Airai state in southeastern Babeldaob, is limited according to Palau government spokesman. Palau's national government has been involved in litigation over ownership of a terminal building at the present airport with the Airai government.

The negotiations with the Japanese, in which President Etpison took a leading role, have stretched over the last three years. Last year, Palauan officials reported near agreement on a US\$70 million airport deal with the three states, naming Nara Nichinichi Newspaper Co Ltd as the major financial backer of the projects. The role of the Japanese media giant in the current proposal was not mentioned in the agreement, though COPROS retains the right to designate a third party to hold all or part of its stock.

Babeldaob, the second largest island in Micronesia after Guam, accounts for 151 square miles of Palau's total land area of 172 square miles. Twenty-six miles long and 98 miles in circumference, the big island, which Palauans often refer to as the *hunto* (by its Japanese name) remains largely undeveloped with no road system connecting the two dozen coastal villages. About 6000 of Palau's 20,000 people reside on the big island. Babeldaob also lacks central power and water systems, and the villages must rely on individual generators and gravity flow water distribution systems.

Though the home of most of Palau's population in the past, and the scene of considerable Japanese development in the 1930s and 1940s, Babeldaob has been depopulated and left virtually dormant in the post-war era while most government jobs and economic development has been concentrated in Koror because of the natural harbours surrounding the small causeway-connected central islands.

Like the urban migration that has



BUSINESS

affiliated most of the Pacific, the shift of Palau's post-war population to Koror has caused over-population and crowding and led to the usual social and environmental problems. Palauan leaders look to the resettlement of Babeldaob as both a short term safety valve for Koror's problems as well as a long term solution to the development of the islands. Though the United States funded construction of a US\$5 million concrete bridge, joining Koror and Babeldaob in 1979, Palau has been unable to unlock the big island's development potential.

The Palau Constitution requires that a new capital be built in Babeldaob's Melekiok state, close to the proposed airport development. The Compact of Free Association requires the United States to build a major road system on Babeldaob and assist in the construction of the capital. But those developments have been stalled by the political status impasse over Palau's nuclear-free Constitution and the Compact of Free Association, in which the United States requires port and passage rights for its nuclear Navy. In seven plebiscites over the past decade, Palauan voters have not provided the 75 percent majority needed to waive the nuclear ban and approve the Compact.

Because it is still a United Nation's trust territory (the last of 11 created after World War II), Palau lacks the complete sovereignty to negotiate state to state economic development aid with its Asian-Pacific neighbours. Though some small-scale business and tourist investments have occurred over the past decade, no major investors or large private development agreements have been initiated while the political status of the islands remained undecided. President Etpison and other Palauan leaders, therefore, view the airport project also as a way through the horns of Palau's economic development dilemma.

The airport investors' views are not as evident, though the Japanese are quite familiar with Babeldaob and its development potential. During Japan's rule of

Micronesia, Palau was the administrative center of the Mandated island, and the Mandate government brought in tens of thousands of Korean and Okinawan settlers to work the farms, fishing boats, mining and timber operations. By 1940, the Palau islands has a total population of 35,000, which included about 7500 Palauans.

Babeldaob hosted major commercial agricultural projects, including pineapple, sugar cane and coconut plantations. Bauxite was mined in northern Babeldaob, timber was extracted from the central rain forests and oyster farms and pearl beds ringed the big island. The Japanese also built a road system on the big island connecting the villages to the major agricultural and extraction operations.

Koror's Malakal Harbour was a bustling Japanese fishing port and Koror town had a population of 20,000 (about 1600 of whom were Palauans) boasting all the amenities, including thousands of Japanese style wooden houses, central power and water systems, a daily newspaper, and geisha houses. For many Japanese, Palau was "the Riviera" and at the height of the islands' development, a Shinto Shrine was dedicated in Koror with great ceremony, including the presence of a monument of the Japanese

royal family.

Many older Palauans remember the Japanese era with great nostalgia as the apogee of the islands' economic development and long to reestablish a commercial relationship with the Japanese.

The United States has not yet taken a position on the proposed development. Because Palau has been in transition from trusteeship to Free Association, the US Department of the Interior has been turning over most of its fiscal and administrative authority to the 'emerging' republic. While the State Department objects to direct state to state development aid while Palau remains a trust, it has encouraged foreign business investment and third party development assistance if it is from the private sector.

President Etpison believes the airport/tourism project meets these guidelines and therefore represents a way around the state aid problem. However, recent US Congressional criticism of Interior for not providing sufficient oversight of Palau, especially in connection with US\$50 million debt incurred by the island's government for a controversial 16-megawatt power plant, spurred the federal agency to recently announce that it would be reassuming some fiscal and administrative oversight for Palau. □

Henry seeks new markets

COOK Island government leaders have been busy over recent weeks looking for new markets and alternative sources of development assistance. Prime Minister Geoffrey Henry has now announced his country — together with several other unnamed Pacific states — is examining a proposal to set up a trade office in Hawaii.

Henry has recently led a delegation to Canada, the United States, West Germany, Italy and the Philippines. The trip, funded by the United Nations Development Programme, is intended to identify potential donor agencies and present to them 27 priority development projects, which included housing, education, health services, flood protection, a national fisheries complex, an inter-island vessel, solar electrification, harbour development and waste disposal.

While in Honolulu, Henry talked about the possible trade office to be located there. He said the cost would preclude the Cook Islands from setting up an office of its own but it was possible to maintain such an office if the expenses were shared with several other countries.

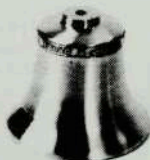
In the meantime, Agriculture Minister Vaine Tairea was due to lead a mission to French Polynesia in an attempt to open up a market there for Cook Is-

lands' produce exports. Talks would focus on quota for exports to Tahiti of citrus, coconut cream and pawpaw puree; the amounts set would be at a level manageable by Cook Island growers.

The Government is spending US\$700,000 to build a cool store at the island's airport which will allow vegetable and fruit growers to store their produce until time of shipment. The country has faced a problem in recent years of ruined produce, with vegetables having to be dumped. □

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BUSINESS

Bank pins hope on private sector

A MORE diversified private sector should be allowed to develop and take some of the economic burden now being shouldered by the Government, says the Central Bank of Solomon Islands in its newly-released 1989 annual report. The bank said the positive tone of much of its report "derives partly from the fact that intelligent and hard-working people in the private sector can and do make significant progress despite difficult circumstances, and partly from the bank's belief that the intrinsic potential of the Solomon Islands economy is still attainable, without social upheaval or fragmentation of the nation state".

The report identified what is considered were the four key problems bedevilling attempts in the private and public sectors to lay firmer foundations for economic growth. They were:

- Unsustainable levels of domestic borrowing by the government to bridge the worsening gap between revenue and spending, a gap which could only be narrowed by cutting spending — trying to rectify the revenue side would involve crippling the private sector by increasing

taxation.

- A chronic deterioration in the country's terms of trade; this required a realistic exchange rate policy and competent diversification.

- A pervasive psychological dependence on foreign aid to bridge the domestic savings and foreign exchange gaps leading to excessive government involvement in resource allocation.

- A persistent failure within the public sector to recognise the private sector's need for a competitive structure of costs and revenues.

The Central Bank nails its colours to the argument that sustainable growth comes largely from successful, competitive private enterprise. "The authorities cannot force the private sector to be competitive if it does not wish to be; but they can make competitiveness extremely hard to attain by espousing inappropriate pricing of a range of key inputs to domestic production and incomes," the annual report said.

The bank said the public must ask less of the government. "The community cannot keep its public sector cake and eat it as well," the report said.

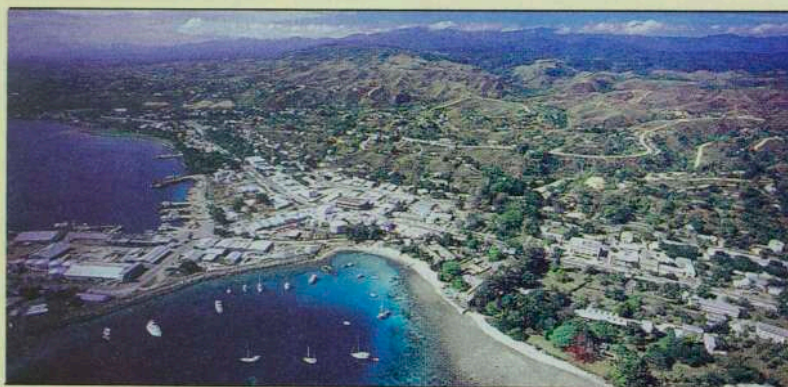
The community and private sector had to take on increasing responsibility for education, health, transport and other utilities. The Solomon Islands needed a government sector (both national and provincial) which absorbed less of the national income, a more diversified and profitable private sector run by better-trained Solomon Islanders, a domestic monetary system that stimulates savings, and an external account that is broadly sustainable with a realistic exchange rate and a comfortable level of official overseas reserves.

"If an appropriate set of adjustment policies is not adopted soon, the community will continue to be exposed to the risk of a crisis in the balance of payments and government financing that would put a considerable strain on society, as painfully rapid economic adjustment is imposed by financial reality," the Central Bank's annual report said.

In 1989 the Solomon Islands economy continued to grow a rate of more than five per cent, but the bank said the year was also marked by a growing degree of instability in the domestic and external accounts, with fiscal policy and development strategy issues remaining unresolved.

During the year the country's external reserves fell from S\$185 million (US\$35.1 million) to S\$61 million (US\$25.2 million) — and still falling, with the Central Bank providing substantial funds to the banks to support their loan portfolios and avoid commercial failures. Commodity prices, particularly vegetable oils and timber, went into a steep decline during the year.

But the Government brought down in 1989 budget which included a substantial increase in the deficit to be financed domestically. The bank report said there was general agreement about the underlying problems in the Solomon Island economy — but less agreement on what should be done about them. □



Honiara, Solomon Islands financial centre: risk of a crisis.

Nauru's million-dollar war

NAURU is going to proceed with its long-signalled court action in a bid to get A\$72 million (US\$54 million) out of the Australian Government for rehabilitation of the island after more than 84 years of phosphate mining.

The island state has filed a 10-volume case with the International Court of Justice in The Hague against Australia which administered Nauru's phosphate mining on behalf of the other partners, New Zealand and Britain. The countries held joint United Nations trusteeship of the island; it had become a League of

Nations mandate in 1919 as a former German territory. The German-owned Pacific Phosphate Company had begun mining Nauru in 1906.

Nauru wants compensation from Australia, New Zealand and Britain to rehabilitate three-fifths of the 21 sq km island, which has been left like a moonscape, with rock pinnacles left standing amidst the vast holes where phosphate once lay. It is expected the Government of President Bernard Dowiyogo will take similar action against New Zealand and Britain. In the meanwhile, Australia has until January 21, 1991, to file its reply.

The action comes at a time when Nauru — probably the richest country in the world on a per capita basis — is feeling the economic pinch as the remaining phosphate deposits start to run out. It has been estimated that rehabilitation of the island could cost A\$216 million (US\$162 million) and the bulk of the evidence lodged with the International Court of Justice consists of material presented to a committee of enquiry set up by the Nauru Government to examine the island's future requirements. The A\$72 million claim against Australia was based on a recommendation of that committee.

Australia has previously rejected the compensation claim. □

Turning Guam into a concrete jungle

FAST-moving land development which in recent years has transformed Guam from backwater to a bustling tourist destination has had one downside effect: Much of what gave the island its character has disappeared under concrete. With 600,000 Japanese tourists visiting Guam last year and the figure rising beyond one million for 1991 (let alone from other countries such as Australia and South Korea), it is a matter of moving quickly to save what remains from the condominium and hotel developers.

An Agana-based consultancy company, Transpacific Associates Inc, claims it has come up with the answer — the Regional Private Land Development Project. Chairman Marvin Goolsby said it was aimed at finding ways landowners could increase their income other than by selling their property, usually to Japanese buyers thus having much of the island end up in foreign hands. And the temptation to sell is great: A two hectare property can bring US\$2 million.

Guam's present development phase is much like that which occurred in Hawaii 20 years ago: Tourists will this year spend US\$400 million on the US-controlled island.

Goolsby's plan is to turn land into tourist attractions by looking for ways to exploit its natural state. Investors put up the money to take a share in the enterprise, the landowners keep their title and share the income and Transpacific earns a living as the consultant and by training staff. If the scheme works, Goolsby intends to expand through Micronesia, particularly Saipan, Truk, Palau and Kosrae.

Planning has started on the first scheme, known as the Guamamozan Project which is located in a part of Guam

— not touched during the Second World War. Three landowners are involved, and the project — once completed — will feature a river tour to an archaeological site (via land that grows wild orchids, palm trees and bamboo with wildlife such as deer and wild pigs as well), an ornamental horticultural plantation producing for export, a botanical garden based on existing and largely untouched jungle area and fruit farming.

The tourism part of the operation fits in well with Transpacific's other arm — its local tour business. Goolsby is now promoting the scheme around the Pacific; he has the landowners' co-operation, now he needs to find companies prepared to put up the money in return for a 20-year lease. "The most difficult part is getting people to take the time to go and look at the project," he said.

Goolsby told *Pacific Islands Monthly* that the island of Guam, 48km long by 24km wide, is beginning to show the strain of the enormous tourist influx without having the benefit of an overall development plan. His interest is archaeological, and he complains important sites which contain artefacts and bones going back 6000 years have been bulldozed before they could be properly examined. One particular site near the main hotel area could have been developed as a museum. Soon, he said, all sites would be gone taking with them a valuable tourist attraction value.

"Real estate is the biggest industry in Guam now," said Goolsby. "There's a lack of vision — these people know the price of everything, the value of nothing." Development could wait — Guam had the lowest unemployment rate in the United States. □

Lihir delay

DELAYS face the rich Lihir Island gold project after international bankers made it clear to the project partners that they are wary of lending money for any mine in troubled Papua New Guinea. The Bougainville crisis and other bad news coming out of the country has soured Papua New Guinea's investment image, as the Lihir partners realised when they started sounding out bankers who will be required to lend at least US\$500 million — possibly as high as \$US700 million — to develop the gold mine to operational stage.

Niugini Mining Ltd (20 per cent) and Kennecott Explorations (Australia) Ltd (80 per cent) are now planning to have the \$US1 billion gold mine in production by some time in 1993. Niugini's corporate development manager, Rex Adams, said both partners had sounded out the international financial markets and the response had not been enthusiastic. Adams said the production timetable had become "very rubbery" since Bougainville, and the new production timetable took the financing problems into account.

Earlier, Niugini chairman Geoffrey Loudon said the banks were not refusing outright to lend money for the Lihir project, but they were "just being coy. There are not too many banks wanting to lend to Papua New Guinea at the moment." He said people read of the Papua New Guinea troubles, including the recent coup threats, and became alarmed.

The latest blow to the resource hopes of Papua New Guinea comes on top of demands by several local parties for local control of an old pipeline which the Chevron Niugini Pty Ltd-led consortium will build to tap the Iagifu oil field.

With the loss of 17 per cent of its national budget after the closure of the Bougainville copper mine, the Government in Port Moresby is desperately awaiting several large mining and oil projects to start producing replacement revenue. Lihir's planned output is 250,000 oz of gold in its first year, building to more than 700,000 oz a year.

While mining on an isolated island in the northern reaches of Papua New Guinea poses communications and transport problems, the mining companies are unlikely to face the civil unrest or landholder demands which have plagued other resource projects — there are fewer than 10,000 people on Lihir.

Meanwhile, the companies are undertaking final detailed drilling on the areas where initial mining will take place. The project's feasibility study has been submitted to the Papua New Guinea Department of Minerals and Energy. □

More aid

ADDITIONAL aid will flow to Papua New Guinea to help the country lessen the effects of the current economic crisis. Both the International Monetary Fund and the Australian Government have agreed to provide more short-term assistance, but the Government in Port Moresby has acknowledged that it must seek alternative sources of money in light of Australia's professed eagerness to lighten its part of the burden.

The International Monetary Fund will provide K88 million (US\$90.6 million) to help Papua New Guinea shore up its overseas reserves. In addition, the World Bank has approved a K48.9 million (US\$50.3 million) loan toward the Government's structural adjustment programme, Australia has agreed to additional aid of A\$20 million (US\$15.23 million) even though that country's foreign minister, Gareth Evans, has warned Port Moresby that Australia's capacity to help Papua New Guinea is limited.

Prime Minister Rabbie Namaliu said the country would be looking for new sources of aid, and that the shift from traditional sources was inevitable. □

BUSINESS

New turn in battle for Kutubu pipeline

MOVES to reduce the influence of foreign companies in Papua New Guinea has taken a new turn with the country's top lawyer now campaigning to have a planned pipeline taken out of oil company hands. Papua New Guinea Law Society president Peter Donigi is standing by his campaign urging that the 270 km pipeline to be built for the Kutubu oil development between Iagifu and the Gulf of Papua should be controlled by national interests in the form of a local equity venture. The significance of the Donigi intervention is that it followed just weeks after the then deputy Prime Minister Akoka Doi came out publicly for nationalisation of large foreign companies operating in Papua New Guinea.

Doi has since been demoted, but in his new role as Minister of State he has signalled publicly he supports local ownership of the pipeline, and was joined by two other junior ministers, Fisheries and Marine Resources Minister Allan Ebu and Lands Minister Kala Swokin; together with MP Alfred Kaiabe, these two ministers released a statement asking the Government to consider allowing a local company to make a bid for pipeline ownership, adding: "We will not allow benefits from our resources to go to a very few members of the elite class." Their support appears to be more for landowner and provincial government ownership rather than a national equity and venture company. Trade and Industry Minister John Giheno is also believed to support the local ownership proposal.

While the Cabinet is expected to reject the plan, the involvement of such prominent local people can only further shake already battered investor confidence among foreign firms operating in the country. Local resource companies have also pressed the government to stick by the current deals, pointing out that foreign investors cannot be expected to put millions of kina into projects and have the rules changed on them halfway through.

Energy Minister Patterson Lowa and acting Finance Minister Karl Stack have said the Donigi proposal was made too late to be considered, and there is no doubt that Prime Minister Rabbie Namaliu will be anxious to put a quick finish to any further talk about nationalisation or localisation. Lowa and Stack said the country was already getting a 22.5 per cent share of the Kutubu project (including the pipeline) through state equity, and that additional equity was available to interested national investors by means

Ok Tedi's record result

OK Tedi Mining Ltd recorded an increased profit of K24.2 million (US\$24.2 million) for the year to December 31, 1989, its biggest ever. The company said the healthy financial results a high production rate in the second half of the year after problems in the first six months with the failure of the copper and gold mine's ore delivery system.

Oil palm growers' plea

OIL palm growers in West New Britain Province are demanding K46 million (US\$47.3 million) in compensation for hardships resulting from low commodity prices over the past four years. Grower representatives told Agriculture Minister Galen Lang that New Britain Palm Oil Development Pty Ltd, the only buyer and exporter in the province, had failed to pay smallholders proper prices for their produce. The minister offered K350,000 as an interim compensation payment and promised to investigate the complaints.

of purchasing shares in the participating companies — several of which are listed on the Australian stock exchange.

Consortium leader Chevron Niugini Pty Ltd is meanwhile proceeding with its plans and hopes to have Papua New Guinea Government approval within four months for the development of the Kutubu field, which has proven reserves of more than 120 million barrels. It is planned that the pipeline will run from the Iagifu/Hedinia field southwards across the South Highland and Gulf provinces to Pa'ia Inlet in the Gulf of Papua, where it will connect with an offshore ship loading terminal.

Chevron, on behalf of partners BP Petroleum Development Ltd, Oil Search Ltd, Merlin Petroleum/Bond Energy, Ampol Exploration Ltd and BHP Petroleum of PNG, has now applied to the government for a petroleum development licence (PDL) — and, under the country's Petroleum Act, this allows the consortium priority to operate any associated pipeline.

Donigi, a prominent constitutional lawyer, wants the law changed. He said the law was drafted before Independence and offer greater protection to foreign companies than local commercial interest. The pipeline should, he argues, have a maximum 30 per cent participation level by any investor and be oper-

ated as a common carrier — that is, the pipeline would be available to more than one oil producer.

He is urging that private firm to be called PNG Pipeline Co Control 51 per cent of the pipeline, raising the estimated K400 million (US\$407.9 million) needed for construction from local shareholders and foreign borrowing. He said ownership of the oil and of the pipeline were separate issues, with the latter being of strategic importance to the country. Donigi is one of the principals behind a company, Monticello Enterprises Pty Ltd; this company itself would not be involved in the pipeline ownership but would promote such a company — and local ventures for other major projects as well.

Chevron Niugini managing director Morley Dupre said he was confident the pipeline project would remain in the hands of the consortium. "The Papua New Guinea Government wants stability," he said. "We'll sit and wait, and take the challenges as they come."

The move to throw open the pipeline ownership question could not have come a worse time for the consortium. They have just submitted their request for a PDL and now want to fast-track the whole project.

The basic flaw in the Donigi proposal is the problem of a Papua New Guinea-owned company raising anything like the money needed. His own estimate of local equity capital of about K80 million (US\$81.5 million) would be an extraordinarily difficult task, given the history of floats in Papua New Guinea. Oil industry officials also believe it would be impossible to raise the rest of the money through loans without a Government guarantee, and this would mean that the Namaliu administration would have to forgo borrowing powers for other projects in the country. The consortium developing Papua New Guinea's first commercial oilfield has also had to fight off continuing demands from local politicians that they build a full-scale oil refinery near the Kutubu project, the recently coined title to cover the Iagifu/Hedinia and Agogo oil fields.

Last week Southern Highlands premier Yaungtine Korombe, on hearing the consortium had decided to proceed with the pipeline and not build a large refinery, demanded the foreign oil venture "pack up its equipment and helicopter and leave the province." Korombe, who faces the electors later this year, has predicted Kutubu will become "another Bougainville" unless local demands are met. "I want to also tell the Minerals and Energy Minister not to play around with the people of Southern Highlands because, put together with the people of Gulf (Province), we are bigger than the Bougainvilleans."



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TRADE WINDS

SOLOMONS

\$3m in loans overdue

LOAN arrears on the books of the Development Bank of Solomon Islands now amount to SI\$3 million (US\$1.23 million), including loans for agricultural projects which may be written off as bad debts. The bank has recently reviewed its lending policies but the Central Bank has said there is a pressing need for the Government to increase the Development Bank's working capital.

Copra production rises

INCREASED activity by smallholders led to a rise in Solomon Island copra production in 1988, according to figures just released. But the industry still has major problems: the latest report of the Central Bank of Solomon Islands says that substantial amounts of copra are lying dried but unshipped in rural areas poorly served by boats.

Bank opens at Auki

THE National Bank of Solomon Islands has expanded its provincial branch net-

work with a new office at Auki, in Malaita Province. The new branch cost SI\$200,000 (US\$97,940), replaces rented premises, and represents another extension of the bank's computerisation of national operations.

New rice sales

NEW Zealand and Papua New Guinea importers are to begin buying rice from the Solomon Islands, and there have also been enquiries from Western Samoa, Kiribati and Vanuatu. The rice will be sold by Filders Industries (SI) Ltd, which has just obtained additional protection because the Government considers it an important source of local employment.



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Applications are invited from suitably qualified and experienced persons, who must be citizens of a *member country of the South Pacific Forum, for the above position.

The Forum has sought to give greater emphasis to economic analysis and planning capacity. It has established an Economic Services Division which has responsibility for providing to Forum Island countries comprehensive economic analysis and planning advice as well as to seek greater regional coordination of aid to the South Pacific. The appointee will undertake economic analysis and planning together with detailed research on issues identified by the Committee on Regional Economic Issues and provide advice to Forum member governments accordingly, assist FIC governments in economic analysis and planning activities to support national economic development and more effective utilization of aid; preparation/formulation of regional project profiles and in the evaluation of completed projects; undertake analysis and assessment of regional projects and provide appropriate reports to donor governments and organisations.

This appointment will carry an attractive remuneration package, payable in Fiji dollars. For non-Fiji citizens this is tax free and includes housing or housing allowance, education and child allowances. Other benefits for all employees include superannuation payments and medical, life and travel insurance coverage. The appointee will be based at the Secretariat's Headquarters in Suva, Fiji, but will be required to undertake periodic duty travel. Appointment would be for three years initially, renewable by mutual agreement.

Applicants should provide full information on education and career background and should list names, addresses and telephone numbers of at least three referees with whom the applicant has been associated in a professional capacity. Applications should be addressed to:

**The Secretary General
Forum Secretariat
G P O Box 856
Suva, Fiji
Telephone: 312600 Telex: 2229 FJ Fax: 302204**

Applications close on 18 June 1990 and all enquiries should be made to Ms Karen Sorby, Acting Head of Management Services on 312600 ext. 219.

* Member countries: Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa.

FIJI

Emigrant numbers still high

NUMBERS of people leaving Fiji have continued to rise over the last two years. The annual rate of emigration went up 7.8 per cent in 1988. There was a further increase of 1.5 per cent in the first nine months of 1989, to 4153 for the period ended September 30. The emigration of teachers leaving the country also rose markedly in the first nine months of last year.

Airline eyes new planes

FIJI Air is planning to upgrade its fleet with the acquisition of a 24-seat Casa turbo-prop aircraft, and will sell the two long-serving 16-seat Herons. The Case will be employed flying out of Nausori on internal routes to Labasa and Rotuma, as well as its one international service to Funafuti in Tuvalu.

TONGA

Handbags leave for Auckland

WITHIN a month of the start of manufacturing, Tonga's Sky High Bags Co Ltd has shipped its first consignment of 3000 handbags to Auckland. The Haveloto-based factory is a joint Australian-Tongan venture. The company plans to build production to 200,000 bags a year which will be worth about US\$1.2 million, and to employ about 300 people.

Trade deficit falls

TONGA has reported that its trade deficit fell 6.7 per cent in 1989 to T\$56.1 million (US\$42.5 million), with the main export declines being in consumer goods, food and chemicals. There were increased sales of pumpkin, vanilla beans, knitted garments and live animals. New Zealand was both main buyer and supplier to Tonga during 1989, with Australia the next largest market for Tongan exports.

Fiji Tourism Convention SPECIAL REPORT



The Hyatt Regency: venue of Fiji Tourism Convention 90.

Luring the Tourists

THE most urgent task for the 1990 Fiji Tourism Convention is to plan the country's tourism future in the face of a rapidly growing industry and challenging international tourism market: the future is happening now, but is Fiji prepared?

By Penny Gibson

FIJI. The Future is Now" is the theme for this year's convention, giving industry the opportunity to review the quality, value and uniqueness of Fiji and discuss how to adapt to changing lifestyles, visitor expectations and markets over the next decade.

Chairperson of the Tourism Convention Planning Committee, Bryan Watson, said the convention, from June 14-17 at Hyatt Regency, needed urgently to address industry needs: "The industry is on an upward trend and it will take a lot of serious planning to cope. Is the infrastructure, support, training, labour force there? Can we spoil it all overnight with too much business?" He said the Asian Development Bank's tourism plan was complete, but needed to be decided on and implemented immediately.

This is vital considering the number of hotel rooms will double to 7000 by 1995, and perhaps even quadruple by the year 2000, requiring an equivalent growth in services and infrastructure. The industry is set to become Fiji's major income

earner.

Although the future looks bright, Watson said people at this convention would be more cautious than in previous years as there was an awareness of Australian competition and the need to look at current and new market sources.

A major issue the convention will discuss is the possibility and necessity of establishing 'Fiji Incorporated', a body which unites industry to promote Fiji with a single voice.

Watson said a number of such bodies in Asian countries were largely very successful. 'Singapore Incorporated' will make a presentation at the convention and discussion will centre on whether all or part of the concept is applicable to Fiji and whether Fiji can provide a united front given the diversity of hotels, their different locations and emphasis.

Up to 400 people are expected to attend the convention, as many as 50 per cent from overseas, including wholesalers, support industry representatives, airline and tourist operators and journalists.

It will be divided into three sessions:

'the key players', 'technology and the tourist' and 'the human element'.

The 'key players' will be keynote speaker, Tourism and Civil Aviation Minister David Pickering who is expected to make some major, positive announcements particularly concerning airlines, Australians John Brown and Bob Ansett, the Fiji Visitors Bureau and Air Pacific.

Brown is chairperson of the 'Bounce-back Australia' campaign aimed at attracting tourists after the crippling pilots' strike, and will speak on 'Where World Tourism is Heading', focussing on the Pacific Rim, the development and changes in existing markets and the growth or emergence of markets for Fiji. Although Brown's campaign puts Australia in direct competition with Fiji, Watson said Brown's presentation should help Fiji prepare for the next few years.

Ansett, the former Chief Executive of Budget Rent-a-Car, now provides marketing advice, franchising know-how and specialises in how corporations can create a customer service culture within their own organisation. He will speak on 'Service and excellence' in the Fiji context.

Day two will be devoted to technology and the tourist. Peter Ernest, Director of the Phoenix Programme at Hyatt Coolum in Queensland, will talk on

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Fiji Tourism Convention SPECIAL REPORT

When and where

HOST hotel for the Fiji Tourism Convention from June 14-17 is the Hyatt Regency on the Coral Coast, a deluxe resort hotel with a distinctive Fijian influence that is reflected in its architecture, decor and staff.

The 249-room resort is situated on a 28-acre complex mid-way between Nadi and Suva and has excellent views of the ocean and mountains. It offers 120 leisure activities, many found in the extensive and high-quality 'Club Olympus' sports and fitness centre and in the water, including scuba diving, windsurfing, canoeing and coral viewing.

The Hyatt Regency has many years' experience catering for conventions, meetings, training courses and other gatherings. The Tourism Convention will be held in Hugo's Restaurant, while smaller gatherings are usually housed in the Explorer's Lounge.

The 11-year-old resort has just had a facelift that included constructing a

pool grill deck for casual dining, upgrading the hotel lobby and adding four shops, installing a bar on the newly tiled Horizon Terrace and relocating the handicraft 'bure' to make it the focus of cultural activities.

The resort has also just created a new Regency Club Lounge, with interior decoration by locals Len Barrack and Leibling Marlow. The Regency Club, catering for business executives and VIPs who want complete relaxation and privacy, is a 23-room "hotel within a hotel" that includes personalised services and extra amenities.

The resort is part of the large, family-owned, United States based Hyatt group. Fiji's Hyatt Regency is part of the Hyatt International Corporation and its subsidiaries, which operates 30 hotels and 19 resorts and have another 10 under construction. Hyatt Hotels Corporation operates another 103 hotels resorts in the United States, Canada and the Caribbean. □

'Lifestyles of the Future', the expectations of tourists in the future and what Fiji needs to do to capitalise on tourists' wants, needs and expectations.

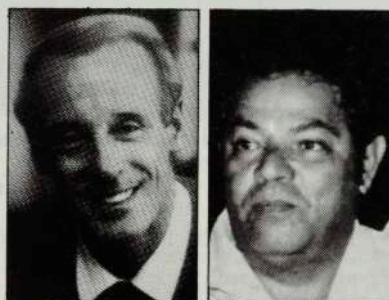
Keith Williams, developer of Australia's Hamilton Island Resort, will speak on megaresorts and their relevance to Fiji, including their concept, financing, development, marketing and human resources development. This is a growth area in Fiji, with large multi-hotel, condominium and marina complexes planned for Denarau Island, Vulani Island, Nasoso Island, Natadola and Saweni over the next decade.

Tim Wagg, Wholesale Manager of Jet-set Tours Australia, will discuss the wholesaler's role in light of technological advances, and the requirements of the industry in Fiji to keep pace with developments. How will wholesalers market destinations in the future and what are the implications for Fiji?

The Vice-President Advanced Productivity of Canadian Airlines, Peter Kivert-su, will speak on 'People Movers of the Future'.

The final day will address the human element, including Fiji's Education Minister, Filipe Bole, looking at 'Training for the Future'. Because tourism is a major player in Fiji, providing excellent career prospects and generating a great demand for labour, Watson hopes the Minister will announce that tourism and its implications for Fiji will be included in school curricula.

Army chief Major-General Sitiveni Rabuka will speak on 'Interfacing with Fijian Culture', how tourism and culture



Ansett and Pickering: looking for new solutions.

affect each other, the role culture plays in attracting tourists and what Fijians expect from tourism.

There will also be a panel discussion on relevant issues. Watson said part of this would focus on the future of the convention: the volunteer 14-member committee currently comprises top managers in the industry who will have less time and human resources to devote as industry upturns. Watson said he hoped the Government will announce the Visitors' Bureau will run the convention on a commercial basis, perhaps as part of the establishment of 'Fiji Incorporated'.

The convention will also have a Travel Mart, 35 booths where Fiji industry can display their wares and services. It will host the finals of the Barman of the Year Awards and Salon Culinare competition (to show what can be done with local food) and announce Poster, Brochure and Advertising Awards. □

Jewel in the Crown

A CONVENIENTLY located island in the Western division of Viti Levu is the investment jewel in Fiji's tourism crown. The 680 acres of Denarau on the shores of Nadi Bay are being transformed into Fiji's first integrated destination resort.

Denarau is already the site of two of Fiji's finest hotels, the Regent and the Sheraton — and during the next five years about \$300 million will be spent to bring a host of new attractions to the island. Eventually upwards of 5000 visitors at a time will stay in a total of five hotels, with 1500 rooms, plus 618 townhouses, condominiums and villas. Other amenities are to include an 18-hole golf course, cultural centre, convention and business facilities, and five kms of waterways.

The master plan for the development of Denarau is part of a grand strategy by Japan's EIE International Corporation to position the company as the leading leisure industry investor in the Pacific Rim.

EIE's chief executive in Fiji, Andrew Thomson, says Fiji's location in the region makes it an important link in this scheme. "We believe Fiji has enormous potential as a centre for tourism and other forms of investment. The Pacific Rim is the most economically dynamic region of the world and Fiji is well placed to capitalise on this."

The EIE approach is reflected in the company's substantial holdings in Australia, New Zealand, Saipan and French Polynesia. It has also endeavoured to secure the international aviation connections crucial for any corporate policy dependent on the growth of tourism in the region. EIE has purchased minority shareholdings in Air Tahiti and Air Caledonie and recently concluded negotiations for a stake in Air Pacific.

"We are taking a long-term view," says Thomson, "and we are very confident about the future of Fiji and the region." Fiji's natural attractions, its established tourism industry and infrastructure, outweighed concerns about the political situation following the 1987 coups. "Infrastructure in particular is crucial for a developer," Thomson said. "If a country does not have good infrastructure, development is very difficult. One of the major advantages in Fiji is that the country has excellent amenities in terms of roads, water supplies, hydro-electric power, ports, airports and efficient transportation. It also has a skilled tourism workforce."

EIE's involvement in Fiji began when the company's president and chief executive, Harunori Takahashi, met Fiji-

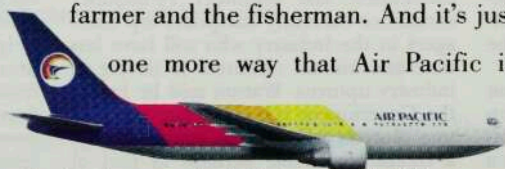
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Fiji Tourism Convention SPECIAL REPORT

born Thomson in Auckland just over two years ago.

Takahashi was a guest at the Regent of Auckland, then managed by Thomson, who was also a former manager of the Regent of Fiji, at Denarau. Thomson extolled the virtues of Fiji's tourism industry and described the opportunities at Denarau, already earmarked as an outstanding development site. Within months EIE had purchased the Regent of Fiji and developed a master plan for the island, which is close to Nadi International Airport, in one of Fiji's most important resort areas.

Takahashi recruited Thomson to supervise development. He joined a multinational group which has attracted widespread attention following its spectacular emergence as one of the most prolific investors in Asia and the Pacific. From its original role in the electronics industry in Japan EIE has expanded at home and overseas into real estate, property development, travel, transport, leisure resorts, golf courses and financial services.

EIE's commercial philosophy is captured in the company motto "mutual prosperity" and the concept of business as "development enterprise". It espouses here the idea that business produces long-term returns for society, as well as investors and shareholders. In other words commercial objectives can be compatible with general community needs.

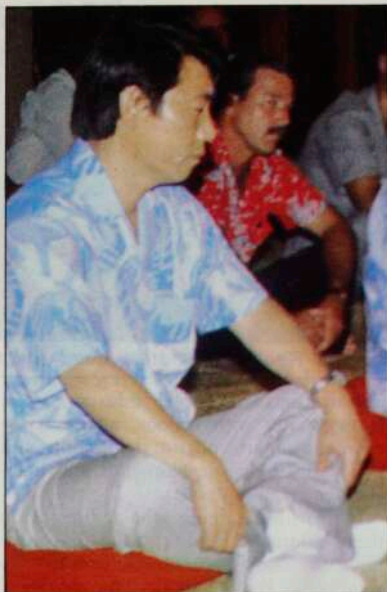
According to Dr Bungo Ishizaki, EIE's chief investment adviser, this is exemplified in developing countries by investment activity which creates much-needed employment and helps channel finance and other resources into parts of an economy where they are particularly needed.

With the industrialised nations, EIE aims to cater to emerging markets stemming from economic prosperity and increasing leisure time.

EIE president Harunori Takahashi has been quoted on this same theme. He says more leisure means development demand is led by facilities and services associated with such investments as resort hotels and golf courses.

"That is why EIE has centred much of its growth in real estate and the leisure industry. This will further strengthen our financial foundations and ensure we move into the next century with the ability to make major and beneficial contributions to our host societies and cultures."

Takahashi is a regular visitor to Fiji, where he empathises with the Fijian concern for protection of culture and tradition. He sees cultural parallels between Fiji and Japan — and wants to ensure his investment harmonises with the Fijian community. EIE, he says, intends to be a "gentle investor".



Takahashi and Thomson: confident about the future.

It aims to build and maintain positive relationships within the community and one of its early initiatives was to offer to help Fiji develop technological expertise, especially in computer skills. As a result EIE is sponsoring Professor Sunao Sekimoto, a Japanese computer specialist, to teach at the School of Pure and Applied Science at the University of the South Pacific.

Thomson points out that many benefits will flow through the economy from the engineering and construction work at Denarau. "There will be opportunities for local contractors from all communities, but we are especially concerned to try to involve the local landowners in as many revenue-earning pro-

jects as possible. We have excellent relationships with the Tui Nadi, the local paramount chief, and his people. One of our first contracts for site clearance was awarded to the Tui Nadi's company."

The Fiji Government welcomes the Denarau scheme for the jobs it will create — and the other economic spinoffs. EIE expects 2000 positions to be created during the construction phase, with at least 5000 permanent positions available when the project is completed.

In the first phase, over two million cubic metres of earth fill is being moved onto the low-lying island as a protection against flooding and hurricane surge from the sea.

Work is scheduled to start soon on the first of the new hotels on a 30-acre site adjacent to the Regent of Fiji. Construction of the 7200-yard championship golf course is also expected to begin.

Part of the first phase envisages nearly F\$30million worth of expenditure on the extensive engineering works, including earthworks, reclamation, excavations and the waterways. Channels to drain rainwater away from the main island are included in the engineering specifications.

In further stages another two hotels are to rise on the beachfront, along with villas, townhouses and condominiums fronting waterways and the golf course.

Denarau, says Thomson, will combine an environment for leisure travellers with amenities for international business people.

"We envisage Denarau becoming a top convention centre and 'think tank', with a variety of meetings and seminars, and high-tech information exchange by satellite and computer," he says. "EIE wants Japanese tourists to share Denarau with a cosmopolitan mix of visitors from other nations — a contribution to Japan's new world outlook." □

Hotel's top 3: numbers, cohesion and carrier

THE Fiji Hotel Association (FHA) is hoping this month's Tourism Convention will address three issues: the availability of statistics; the need for more industry cohesion; and the need for a North American courier. FHA Chief Executive, Kevin Mutton, said hotels would like more information out of Government: "I don't think anyone is very happy with the way visitor numbers are failing to come out of Government."

The FHA, which represents about 70 hotels, wants the statistics so it can advise members, the Visitors Bureau, Government, investors, self-interest groups, advertisers and others about the tourist target market. Hotels need to know who is going where in Fiji and why, and to

couple this with expenditure to get an overall picture of the market. Mutton said the statistics could be retrieved virtually any way required: "With the new arrival cards at the airport, the Bureau of Statistics has a lot to offer in statistical analysis — it has the recipe, but just needs to get the quantities of ingredients correct."

He said a North American carrier was essential based on the assumption that Fiji was going through a development stage: "It's no good building a hotel and three years down the track it's still empty. There is plenty of accommodation around." He said Air Pacific had a major role to play in opening the North American market, but if it could not take the

Fiji Tourism Convention SPECIAL REPORT

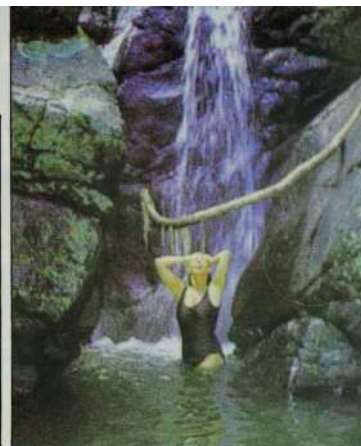
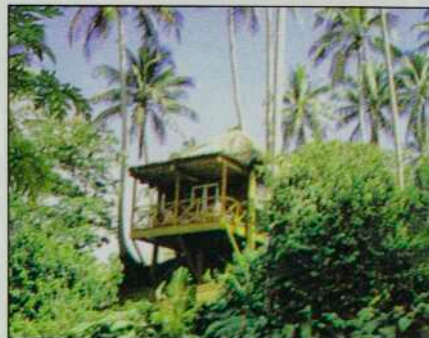
initiative, Fiji could look at an 'Open Skies' policy.

Mutton said the 1990 convention was important for Fiji to assess where it was in terms of world tourism: "Given the way the Australian economy is developing and an understanding of what New Zealand has gone through . . . people will be thinking again about an overseas holiday. Maybe now is the time to assess where our future lies."

The FHA is very supportive of the 'Fiji Incorporated' concept as it sees the need for more cohesion between all industries involved; without some form of corporate body, tourism would not develop, Mutton said. With the tourist industry expected to earn around F\$300 million this year and service 270,000 tourists, the hotel industry has a major role to play in the country's economy.

The FHA represents almost 70 hotels with a total of 3500 rooms, including virtually all hotels with eight or more rooms. The hotels directly employ 7000 people, about 6.6 per cent of the official workforce, and generate 1.8 jobs for every room built.

As an employer association, the FHA seeks to improve the profile of the hotel industry by promoting excellent service and increasing public awareness of the



Kontiki Resort: "... hotels need to know who is going where in Fiji and why".

importance of the hotel industry to Fiji. It negotiates with unions, advises Government about tourism legislation and policy and helps develop staff and management training courses.

It provides training scholarships, is on the National Training Council, contributes to course content and product development at the Fiji Institute of Technology's School of Hotel and Catering Services and has developed a brochure on career prospects in the hotel industry. It also runs competitions which are designed to produce excellence and improve the ability and confidence of hotel staff. The Barman-of-the-Year competi-

tion is to be held during the Convention with the major sponsor being South Pacific Distilleries.

A major function of the FHA is to lobby Government on matters which affect hotels. It reviews and contributes to overall tourism marketing strategies and works in concert with the Fiji Visitors' Bureau.

As the representative of a large group of employers, the FHA sits on the Hotel and Catering Industry Wages Council and has a representative on the Labour Advisory Council. It investigates the ramifications and implications of industrial agreements. □



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SPECIAL REPORT

Pickering's trump card

THE announcement that a North American carrier will begin servicing Fiji is likely to be made by the Minister for Tourism, Civil Aviation and Energy, David Pickering, in his keynote address to the Fiji Tourism Convention this month at the Hyatt Regency. Pickering said a North American carrier was one of the immediate needs to ensure continued growth in Fiji's tourism industry.

Other pressing issues the industry must address are increasing the amount of hotel accommodation available and making Fijians aware of how important the industry is to Fiji and its people.

Pickering said the interim Government placed high priority on tourism as one of the most important sources of foreign exchange earning. This was made evident after 1987; when most ministries had budget cuts, tourism didn't, and in the last three years has been given funds additional to budget allocations, largely for the Fiji Visitors Bureau. "The Government has tried to be the catalyst in pursuing hotel development to ensure sufficient accommodation. There are several hotels now in the pipeline." As

part of this support, the Government has agreed to put \$2 million into the Saweni project and \$10 million into Natadola for infrastructure development such as water and roads," he says.

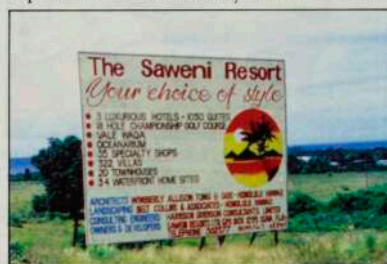
"I hope the convention will allow opportunities for people within all walks in the industry to discuss ways and means of improving the industry as a whole, particularly for the transporters, hoteliers and wholesalers involved. The convention generally tends to be an opportunity for Government during the keynote speech to set the form for some aspects to assist industry and the indus-

try as a whole to suggest ways and means the Government may assist."

With the theme of the convention, *Fiji. The Future is Now*, Pickering said tourism in Fiji certainly would be ready for the 21st Century when it came. He said the Government had already supported the effort to improve tourism and the interim Government would continue to do so. At present, the Government has a steering committee of all relevant ministries and infrastructure bodies to smooth the way once new hotel projects using off-shore capital have been approved.

Developers of any new project or existing project undergoing expansion set off 55 per cent of approved capital expenditure on buildings against tax, written out over six years. The hotels have duty concessions on imported goods for use in hotels and overseas hotel chains are allowed to remit money off-shore.

Pickering said his ministry was aware of the necessity to preserve, maintain and encourage awareness of culture among Fijians. Current projects include running jingles on radio to raise local awareness of the importance of culture to tourists and the need to maintain the culture and friendliness. This is to be supplemented by posters and a video, funded by Australian aid. □



Saweni Resort: a signboard and government promise.



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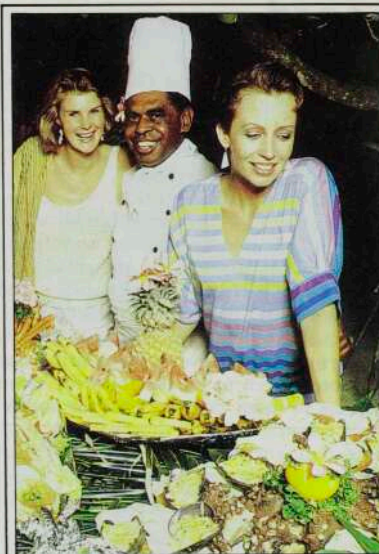
NAMAKA — NADI AIRPORT

SPECIAL REPORT

Bainimara sets new 90s focus

THE Chief Executive of the Fiji Visitors Bureau, Isimeli Bainimara, said the Bureau would be taking a very positive, active position at this year's convention instead of conducting its usual 'annual report' presentation. "Fiji is at the crossroads. In the next ten years, world tourism potential will be in the Asia/Pacific rim and if Fiji doesn't do its homework, it may lose out. What can we do to capitalise on this growth? We will look at the potentials available and how we can achieve targets over the next five years," Bainimara said.

The Bureau will study the traditional markets of Australia, New Zealand, the United States and Canada, and look at Asia, a market Bainimara said may almost double in the next five years. His presentation at this month's Fiji Tourism Convention at the Hyatt Regency, will focus on potentials and constraints, based on statistical analysis and research of source markets and competitors. He will look at where Fiji is in 1990 and the future to 1995, trying to get the atten-



Toberua Resort: exclusive association.

tion of industry on a co-operative basis. The Bureau will hold a marketing thinktank with the top movers in the industry the morning after the convention: "We propose to get together with everyone and focus for 30 minutes on each

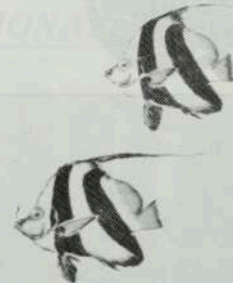
Toberua joins exclusive group

TOBERUA Island Resort has been chosen for membership in an exclusive association, the Australian-based Select Hotels and Resorts International, which represents 35 hotels in Australia, New Zealand, Thailand, Bali and Fiji. Toberua's general manager, Michael Dennis, recently attended the association's annual meeting in Sydney. He said the Select Hotels was created in 1987, and to qualify for membership, a hotel or resort must satisfy an inspection of its standards of facilities, service, room quality and location.

"Select is a new and expanding accommodation concept which represents the finest independent hotels, resorts and country retreats within the region, and Toberua is naturally very happy to be part of this," he said.

part of the industry to see what will happen in 1991 . . . I hope to get the momentum to kick off a five year plan." Bainimara said another meeting would follow in September to outline plans for 1991. He wants to ensure maximum sup-

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STORES IN: NADI TOWN, SIGATOKA TOWN AND SHERATON FIJI RESORT

Fiji Tourism Convention SPECIAL REPORT

port for the Bureau and the tourism effort by seeking co-operative participation from the industry from the first planning step.

The Fiji Visitors Bureau is the Government organisation responsible for selling Fiji as the ideal tourist destination. According to Marketing Manager, Fasiu Jione, it has a dual target of influencing the general public directly through paid advertising and indirectly through the media and the tourism industry.

Jione said television campaigns were

very successful, but with a limited F\$2 million marketing budget, the Bureau's main marketing strategy was to influence the influencers of travel — the media and travel agents. This year, in co-operation with Air Pacific and tourist operators, the Bureau will bring 120 travel writers from Australia, New Zealand and the United States to Fiji. This tactic has led to much good publicity in the past and has proved very cost-effective.

Jione said the Bureau aimed to diversify from the family market — which

saturates hotels during Australian and New Zealand school holidays and leaves lower occupancy the rest of the year — and target the diver, honeymooner and incentive convention markets.

He also identified the need for a North American carrier to take advantage of the US market, which was a source of a wide variety of tourists, from the very wealthy to the backpacker and, increasingly, divers.

The Bureau has its head office in Suva and branch offices in Sydney, Auckland and Los Angeles. □

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Follow the leader

BECAUSE the health of the Fiji tourism industry impacts so strongly on other regional countries, the Tourism Council of the South Pacific (TCSP) will be closely monitoring the Fiji Tourism Convention at Hyatt Regency this month.

TCSP Director, Malakai Gucake, said Fiji was the leader in the South Pacific and helped generate visitors for the other members: "Whatever happens in Fiji affects other destinations". After the coups in 1987, visitor arrivals in other regional countries also dropped, then showed a corresponding increase. In terms of tourism development, Fiji is far ahead of its fellow TCSP members, forming a gateway to other South Pacific tourist destinations: "You need a leader and others will generate business from that lead . . . Fiji development helps other countries," Gucake said. He sees a definite place for a 'Fiji Incorporated' but said the concept could be extended to a 'South Pacific Village incorporated'.

TCSP is an inter-governmental organisation of 12 island countries (Papua New Guinea, Solomons, Vanuatu, Fiji, Tonga, Tahiti, Western Samoa, American Samoa, Cook Islands, Niue, Kiribati, Tuvalu) which aims to foster regional co-operation in their development and promotion of tourism. Since 1986, it has been largely funded by the EEC, with contributions from member countries, Australia and New Zealand. Its 1990 budget is F\$4.399 million, with the EEC providing additional funding for TCSP to attend four international tourism shows — Berlin, London, Chicago and Sydney.

TCSP promotes, co-ordinates, plans and implements tourism projects and activities in the region. Projects under its Tourism Planning and Development Programme strengthen the economic linkages between tourism and other sectors of the economy. Product development schemes enhance the tourism pro-

SPECIAL REPORT

duct base and environmental and cultural preservation are fostered. TCSP also provides technical assistance in tourism planning.

TCSP has produced a series of 12 documentaries on the region and developed a package of marketing publications in its Marketing and Promotion Programme, which also co-ordinates the region's participation in international travel fairs using the South Pacific Village concept, which Gucake said strengthens regional co-operation between the islands. TCSP recently opened two offices in Europe and one in Britain.

The Research and Statistics Programme runs a computerised regional tourism database and utilises other research tools to collect process, interpret and disseminate statistics. It is also assessing the economic significance of tourism in the region.

Under its Education and Training Programme, TCSP runs training schemes for the hotel and catering industry and tour operation sector and short tourism management training courses. Community education has included provision of materials for the introduction of tourism into the social science curricula of schools, publications and the production of a video. □



Air Pacific at Nadi: financially very sound.



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Air Pacific soars

AS the largest single carrier of passengers into Fiji, national airline Air Pacific, will be making a large presentation to this month's Fiji Tourism Convention, looking at past successes and focusing on the foreseeable future, which looks particularly rosy.

The airline is considering increasing its fleet and destinations. It will double flights to Japan in October and is investigating markets in other Asian nations while staying clear of the North American route. Taiwan and Korea are the other targetted growth areas in Asia, both being very affluent countries with a lot of people looking for overseas holidays: "Fiji needs a lot of promotion in Asia, but the potential is there," said Marketing Director Ernie Dutta.

Air Pacific is not contemplating the North American route because the three large US carriers coming south have forced fierce competition and large price reductions, making the route unprofitable for smaller carriers. With market growth currently predicted at 7-10 per cent over the next five years, Dutta said Air Pacific planned to buy/lease another two 767s if they are required: "We can meet the demand if the hotel rooms come on line. Our plans are in motion and will materialise."

As one of the largest promoters and

Fiji Tourism Convention SPECIAL REPORT

advertisers of Fiji as a destination, Dutta said Air Pacific was fully supportive of the concept of 'Fiji Incorporated': "It's an excellent idea and happened after the coup for a time when a lot of people pooled their resources, put aside their own interests and did things together which ended up with today's success. We want to pick the eyes out of this concept."

Air Pacific is financially very sound, with a record 1988/89 financial year operating profit of over F\$9 million. In the 12 months to April 1990, passenger numbers increased by 16.1 per cent over the previous year to 344,400. Its fleet includes a 747 on lease from Qantas, two ATR-42s which travel the immediate Pacific and a 737, which will be sold when a 767 comes on stream shortly. The 767 will do the shuttle run to New Zealand and open a big market in southern Australia.

From July, Air Pacific will increase its capacity from Sydney by 22 per cent to 1830 seats. The larger 767 aircraft and extra flights will almost double present seat capacity out of Melbourne to 624 and seats from Brisbane will increase from 270 to 624. From New Zealand, there will be a 10 per cent increase to 832 seats.

The Taiwan Connection

AIR New Zealand is hoping to introduce a flight from Taiwan through Fiji to New Zealand within the next 12 months, making two weekly flights from the Asian tourism growth area through Nadi. Route Manager for Orient and Short-haul Pacific, Bob Wallace, said bi-lateral negotiations were still underway, but plans for a 767 service were promising. The airline will also extend another of its four Auckland/Nadi/Hawaii flights through to Los Angeles around July and possibly add another flight into Fiji.

"The increase is an indication of the importance of Nadi's position in the Pacific and recognises Fiji's tourist attraction. We see the South Pacific as an overall destination, and while we strongly boost New Zealand, we also sell the area because when people come this far, many want to see more than one destination," Wallace said. "We believe that this sort of development is vital to general tourism in the South Pacific."

Air New Zealand currently has eight services through Nadi to the United States West Coast, one to Japan, two terminators in Nadi and still runs the

famed "Coral Route" established in the days of flying boats. Fiji Manager, Rob Fullerton, said Fiji and New Zealand had very similar markets for the tourism product and Fiji was important as both a transit point and destination. He said the Tourism Convention was important to establish where Fiji fitted into the international scene, which is integral to the airline's promotion activities through its offices world wide.

Air New Zealand has just celebrated its 50th anniversary in the Pacific. Its fore-runner, TEAL (Tasman Empire Airways Limited) began flying in 1940. New Zealand's post-war Government policy dictated that there be an air link with Fiji and the country's tourist appeal made it a commercial success. The famous flying boat 'Coral Route' from Auckland to Papeete via Suva and Aitutaki in the Cook Islands both maintained regular communication links and created a unique tourist experience.

The airline now has 220 flights between 46 airports in 16 countries and is looking at another period of expansion which will double the size of its fleet. It will be investing in extended range 767s.

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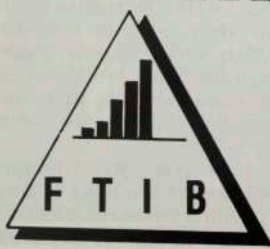
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Fiji Tourism Convention SPECIAL REPORT

ASAELI LAVE



Ashwini Singh: *Dreamland on the moonless nights*

Love story island style

FIJI'S first full-length feature film will be a classic love story based on the traditions and culture of the country's two major races, and the dilemma young people face when modern and traditional values conflict. Filming of the F\$600,000 *Dreamland on the moonless nights* finished in April and will be produced in Germany for worldwide distribution by Mana Movie Productions in July or August.

The film's Austrian writer, director and producer, Ellen Umlauf, said the film was based on the relationship between a Fijian boy and an Indian girl who wish to get married but face family objections and vast cultural differences.

The heroine, played by student Ashwini Singh, of Suva, is trapped between living in a modern society with modern expectations and obeying her traditional Indian father who wishes her to marry a man of his choice. Ratu Alex Soqosoqo, from Kadavu Island, plays her lover, who has to reconcile strong ties to his family and Melanesian heritage with breaking tradition to marry an Indian.

Ashwini said the film showed that people should not hold customs and traditions against a person and portrayed the good and bad aspects of both cultures, which led to some tragic scenes as well as happy ones.

While *Dreamland of the moonless*

nights looks at Indian and Fijian culture, the theme is an international one where two people of different backgrounds fall in love. It explores emotions and morals that are felt by people of all races, and concentrates on the dilemmas young people face when living in a modern society conflicts with traditional values. UNESCO and the Better World Association, which is based in New York, have both supported the film for its cultural depictions.

The actors are local with no previous acting experience but according to Umlauf, bring a natural freshness, talent and enthusiasm to the screen: "It may be the beginning of successful acting careers for

FIJI TOURISM CONVENTION SPECIAL REPORT

the young people, who will have international exposure when the film is released."

Ashwini, a Form 6 student of Suva's Yet Sen Secondary School, said she enjoyed making the film, but was more concerned with passing her exams than launching into a film career at present. "I'll wait and see how the film turns out first. I was excited about making it, but not too confident. It took a bit of getting used to acting in front of the cameras, but Ellen told us what to do — she's an actress."

Ratu Alex, a Form 6 student at Queen Victoria School, 60 miles from Suva, is also keen to finish school and see the reaction to the film before considering a film career.

Umlauf said the film was a bit unconventional because three languages were used and subtitles provided translation. The issue of the language barrier between the races had to be addressed to capture an essential dilemma of the lovers' situation, so the actors speak in their own languages and the lovers communi-

cate in English. She said it would also mean viewers could hear the different sounds and cadences of the two languages.

Dreamland of the moonless nights was filmed around Fiji, including Suva, Pacific Harbour, Nadi, the sugarcane farming areas of northern Viti Levu and Ratu Alex's village on Kadavu. It includes traditional Fijian and Indian ceremonies. It was filmed by an internationally experienced West German crew led by Horst Schier and will be produced and distributed worldwide by Mana Movie Productions, owned by Umlauf.

The movie will premiere twice in July or August — in Germany with German subtitles and in Fiji with English subtitles. It will be released on 35 mm and full cinemascope screen, as well as on video for television and home viewing. A West German television station has already bought the television rights.

A special invitation was sent to Umlauf to show *Dreamland of the moonless nights* and another of her films about Fiji, *Nabuli*, at the House of Cultures of

the World annual cultural film festival from May 22 to June 5 in Berlin. The film festival is the largest of its kind in Germany and attracts films from around the world which depict different cultures. Thousands of people visit the festival, particularly those interested in culture, geography and travelling.

As *Dreamland of the moonless nights* will not be finished, Umlauf will show only *Nabuli*, a 95-minute documentary that explores life in a Fijian village. It has already been shown twice on Austrian television and appeared on West German television on 19 April.

Umlauf, who was born in Vienna, Austria, has a successful career as an actress, writer, director and producer. She spends several months each year in Fiji and has produced a short documentary about Fijian customs, *Bula Vinaka*.

She has also made films in other Pacific countries, including one in Papua New Guinea for UNESCO where she was caught in the middle of violent tribal warfare. Her next film is likely to be made in South America. □



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Fiji Tourism Convention SPECIAL REPORT

Liberal laws boost rental car industry

THE rental car industry has ballooned in the past few years, with a plethora of local companies entering the market. From a handful of companies, including three major international rental car organisations, there are now over 15 companies offering a range of vehicles at a range of prices.

The increase in local companies followed Government liberalisation of permits which brought second-hand and re-conditioned cars onto the market. They fill a market niche by catering to the "walk-in" tourist with a very limited budget, and have generated intense competition which benefits the travelling public with cheaper prices.

The international and larger local companies which run new cars, with subsequent higher costs, have also recorded a steady increase in custom, including the established market from pre-bookings, where tourists know the companies and their standards, a factor local companies cannot compete with. These companies are also benefiting from overseas marketing.

The range of vehicles requested is wide-ranging, from small economical

sedans to large family and luxury cars. By tapping into the growth in the leisure market, there has been an upsurge in 4x4 softtops which give people something different and exciting to drive while on holiday.

The demand for corporate car hire for both short and long-term lease has also increased, as has local demand, a factor of cheaper prices and more money in the economy. The owner of one of Fiji's first rental car companies, Gulab Khan, said the industry has shown as much as 30 per cent increase in the last two years.

One of the major issues affecting the industry at present is the use of the second-hand and reconditioned cars from Japan. As part of its policy to improve the quality of cars, the Government announced earlier this year that all future rental cars must be new.

However, there seems to be conflicting advice from industry, with some operators saying reconditioned cars are still being registered; one company intends doubling its fleet by the end of the year. They claim that with industry competition so intense, the cars have to be good

quality despite being second hand.

The Manager of Rosie Tours, which runs Thrifty in Fiji, Vivek Mudaliar, said quality control was not just a factor of new cars, but monitoring their road worthiness more closely. He said the industry should continue to grow as long as the quality of cars was maintained.

A major concern of all operators are traffic hazards on the roads, particularly road humps in villages and potholes, domestic animals on the road and the amount of loose stone left on roads by workers. Although the hazards have been discussed at past tourism conventions and resolutions taken to Government, operators claim nothing has changed and, if anything, the situation has worsened. Thrifty now advises clients about the hazards and warns not to drive at night.

The General Manager of Avis in Fiji, Bryan Watson, said the number of accidents was worrying, with policing a major problem. Accidents resulted from poor police supervision, poor roads, too much traffic, poor street signs, very poor drivers and very bad maintenance of vehicles. □



PRESS RELEASE

Monday, May 14

Sofrana Unilines, one of the major shipping companies in Fiji, announced changes in its top management and operational strategy in Fiji. This announcement was made by the Managing Director of Sofrana Unilines, Mr Michel Laveau who has been in Fiji for the past one week.

Mr Shardha Nand the current Owners Representative in Fiji is expected to complete his assignment by the end of May and will return to his consultancy firm, Nands Consultancy & Management Services Limited. Sofrana will retain the services of Nands Consultancy in respect of a number of development and diversification projects currently being investigated by Mr Nand.

Mr Max Olsson, a well known businessman and top executive in the shipping circles will take over from Mr Nand as the next Owners Representatives of Sofrana Unilines in Fiji.

Mr Olsson is the former General Manager of Sofrana and its associate company in Fiji, Pacific Lines Limited. During the last twenty years Mr Olsson has served on the various shipping committees of Fiji Employers Consultative Association and Government agencies.

In announcing the changes, Mr Laveau said that these changes were brought out after months of careful study and analysis of the problems in Fiji and the South Pacific and certain fundamental changes in the ownership of Sofrana shareholding. It was announced recently that the French company Delmasvielleux now holds about 80% of the total shareholding in the company. Mr Laveau added that Mr Shardha Nand had played an important role in investigating, analysing and highlighting the real needs of Sofrana in Fiji.

It became obvious that the greatest needs were in the area of marketing and shipping operations. Consequently, it had been decided to intensify and strengthen the marketing operations and to bring greater cohesion in the shipping schedules to Fiji and other Pacific Islands.



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Sails on computer

COMPUTERIZED, mechanised sails facilitate the passage of the four-masted *Windsong* as it cruises in the waters around Tahiti.

A jib-rigged schooner, *Windsong* has Marconi-type (triangular) sails which can be furled around a forestay in two minutes. Partial furling (reefing) can be done even more quickly.

As the wind direction changes, and as the wind increases or decrease in strength, the ship's computer records these inputs, as well as the direction of the vessel, and sends out commands adjusting the amount of sail, and the stand (angle) of the booms. Hydraulic winches carry out the computer's commands, eliminating the traditional need for dozens of sailors to climb into the rigging to trim the sails.

The system is complete with an over-ride mechanism which allows the captain to adjust the sails mechanically according to his judgment. And if there is no wind at all, a variable that stumps even the smartest computer, there are three diesel-electric engines which can power the vessel. As further refinements, the ship's propellers have adjustable pitch so that the direction of the spin does not need to be changed (a noisy process) to change from forward to reverse, or vice versa.

Windsong also comes with computer-assisted anti-heeling tanks which keeps the tipping angle down to six degrees; these tanks, on either side of the vessel, are fed by pumps which move seawater from side to side to counter the heeling.



Wind Song: sailing on computer aid

Where have all the cruise ships gone?

In the Pacific, cruising is not a boom industry anymore.

By David North

THE good news is the cruise business is booming. The bad news is that most of the boom is on every body of the water in the world, except the South Pacific.

The *New York Times* recently devoted

more than a dozen pages to its semi-annual, worldwide listing of cruises, telling of eleven brand new cruise vessels, much more business for the existing ships, and many new places to visit in this way, particularly in Eastern Europe. The section covered the period March 1 through October 30, 1990.

The *Times* had 323 listings, covering well over 1000 cruises, but exactly nine of the listings were in the South Pacific, and some of those were small-scale activities, dealing with as few as 30 to 40 passengers at a time. (The nine listings do not include the numerous cruises to, or within, Hawaiian waters).

PACIFIC ISLANDS MONTHLY — JUNE 1990 45

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Cruise ships are big business for the ports they visit. While some of the largest ones carry as many as 1900 passengers, as does the *Queen Elizabeth 2*, let's focus on a more typically-sized one, the *Royal Viking Sea*. It has a 710-passenger capacity. To be conservative, let's say that each passenger spends an average of US\$40 for drinks, meals, taxis, souvenirs and gifts on a typical day in a typical port. That's a \$28,400 shot-in-the-arm for that port's economy on that day.

In the United States Virgin Islands, on St Thomas, recently, the question was not would there be a cruise ship in town today, but would there be eight or ten of them? These were, if our estimates are about right; quarter — of-a-million-dollar a day for St Thomas.

The previously-mentioned *Royal Viking Sea*, one of the nine ships listed as sailing into Pacific waters, makes only a cameo appearance here. While spending most of its time in Australian, Indonesian and Far Eastern regions, it will have one day in Guam in May on its way from Hong Kong to Hawaii. And then the ship is off to Alaska, for summer-time sailing among the glaciers.

It is probable that the *Times* listing is not only not complete (surely the case in such a big, diverse field), but it is focused unconsciously on cruises for American customers. Japan-based cruises may not have made the list, and many of these may come into the South Pacific. For example, we gather that there is an unlisted Guam-based cruise-ship most of whose customers typically fly in from Japan. Further, the trips of the *Fairstar*, which cruises fulltime in the Suva-Vila-Sydney area, and those of the Madang-based *Melanesian Explorer*, were not listed in *Times*.

But whether the *Times* listing is a good random sample or not, there are some frequent found in the Caribbean or the Mediterranean rather than in the South Pacific. The ideal home port for a cruise is one which is, at most, a couple of hours by air way from a densely populated, affluent region — say Miami, or Naples. And the ideal cruising area is one in which you can sail the ship each night from one interesting port to another, such as in the Caribbean or the Black Sea. Long periods at sea are not favoured when one is dealing with the typical seven-to-fifteen day cruise.

One of the charms of the South Pacific, of course, is that it meets neither of these criteria — the world's population centres are distant from this body of water, and the islands are often long distances from each other.

Hence, if there is to be a substantial increase in cruising the South Pacific it will have to come from passengers willing to spend more time, and more



World Discoverer: does not need ports for island visits

money, getting to the cruiseship's home port; generally the potential customers will be people who have already done the Caribbean or Indonesian cruise, and are now looking for something more exciting. Stated another way, perhaps the most likely South Pacific cruise passenger will be someone seeking more contact with nature, and the quiet island life, and less exposure to the glitz of the usual cruise elsewhere in the world.

These are exactly the approaches of several of the cruise operators listed as working in the South Pacific. The lure of the *Melanesian Discoverer*, the 40-passenger catamaran, is not the traditional organised drinking and gambling and the gift shops, but the thrill of the Sepik. Its sister ship, the *Melanesian Explorer*, offers, among other things, "an extensive library of PNG books." Similarly, the Galapagos cruises presumably are particularly attractive to students of nature who want to see, among other attractions, the place where Darwin first conceived the theory of evolution.

In the same vein, the sponsors of the *World Discoverer* (not a sister ship to the *Melanesian Discoverer*) boast that their vessel does not need ports for its island visits. That ship comes with its own

large, inflated rubber boats which facilitate beach landings wherever conditions permit. "Our passengers get their feet wet, but that's part of the fun," we were told.

The *World Discoverer* is probably the only vessel listed by the *Times* which calls on uninhabited islands. When its passengers visit Ducie and Henderson, both dependencies of Pitcairn, they know that they are the only human beings on the island. In the case of Henderson, they are often the first people there in three months, since the last time the Pitcairn boat arrived to carry away some timber for that island's legendary wood carvers.

A possible strategy for island governments (notably those of PNG, New Caledonia, Fiji, Vanuatu and the Solomons) would be to seek to encourage the more traditional cruiseships to alter their customary routes a bit to spend a day or two in one of their ports. If a vessel is spending eight or ten days in New Zealand and Australian waters, why not stop by Noumea or Norfolk Island, for example, instead of Hobart? If the trip is from Sydney to Hong Kong, why not travel via Port Moresby and Rabaul, rather than through Torres Strait? □

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 Noumea, Suva and Lautoka. The vessels continue on to the North coast of America, calling at Hawaii at frequent intervals. Contact: ACTA Pty Ltd, Sydney (266 0633);

Tlx AA121369; Fax 267 1148; Burns Philp (SS) Co Ltd, Rodwell Road, Suva (311 777); Tlx FJ2168; Fax 301 127; Burns Philp (SS) Co Ltd, Lautoka (60 777); Sato SA, Avenue James Cook BPC 2, Noumea, Cedex (281 122); Tlx 3163 NM GATO. Fax 276 532.

Sofrana Unilines operated a RoRo/container service every three weeks from Melbourne, Sydney and Brisbane to Noumea, Suva and Lautoka. Vessels continue (as PAD Line) to the US West

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coast. Contact: Sofrana-Unilines (Aust) Pty Ltd., Sydney. Tel. 264 8944; Telex AA170090; Fax 267 6547. Sofrana Unilines, Noumea — Tel 275191; Telex NM3048; Fax 272611. Wiltrans Agency, Melbourne — Tel (03) 6144788; Telex AA30163; Fax (03) 6145909. Wiltrans Agency, Melbourne — Tel (03) 6144788 Telex AA30163 Fax (03) 6145909. Wiltrans Agency, Brisbane Tel (07) 8541855 Telex AA40712 Fax (07) 2524953. Carpenters Shipping, Suva. Tel 25141 Telex FJ2188 Fax 301572.

Australia — Samoas — Tonga

Warner Pacific Lines operates a regular container service from Sydney, Brisbane and Melbourne to Nuku'alofa, Pago Pago, Apia and Vava'u with transhipment to Rarotonga. Contact: Hetherington Westfarmers Shipping Agency, 37-49 Pitt St, Sydney (223 1600).

Australia — New Caledonia — Fiji — Samoas — Tonga

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

Sofrana Unilines operated a RoRo/container service every three weeks from Melbourne, Sydney and Brisbane to Noumea, Suva and Lautoka with transhipment to the Samoas and Tonga. For details see above.

Australia — Norfolk Island — Lord Howe Island

Sofrana-Unilines (Australia) Pty Ltd operates a regular monthly service with MV *Capitaine Wallis*. Contact: Sofrana-Unilines, Sydney (02) 2648944; Telex AA170090 Fax 2676547.

Australia — New Caledonia — Vanuatu

Campagne Generale Maritime operates a monthly service from Sydney, Melbourne and Brisbane to Noumea, Port Vila and Santo, for containerised and break-bulk cargo. Contact: Compagnie Generale Maritime 12 Castlereagh St, Sydney (231 3700).

Australia — Nauru

Nauru Pacific Line operates a regular cargo service from Melbourne to Nauru,

passenger service to Nauru only. Contact: Nauru Pacific Line (Aust) Pty Ltd, Nauru House, 80 Collins St, Melbourne (653 5709), Nedlloyd Swire, 8 Spring St, Sydney, (20 522).

Australia — Solomon Islands — Vanuatu

NGAL/PNGL joint service operates a monthly service. Contact: Nedlloyd Swire Pty Ltd, 6 Spring St, Sydney (20 522).

Australia — New Zealand

ANL Ltd operates the Tranztas container service between Australia and New Zealand, offering access to five vessels. These vessels call at Melbourne, Sydney, Brisbane (Tasmania, Adelaide and Fremantle via feeder services) in Australia and Auckland, Wellington, Lyttelton, Port Chalmers, Nelson, Tauranga (Napier via feeder service) in New Zealand. Each vessel operates on an approximate three weekly round voyage schedule.

Australia — NZ — Fiji — Vanuatu — New Caledonia — Solomons — New Guinea

Sitmar Cruises operates a year-round cruise programme from Sydney to include the better-known ports in the above countries plus a number of unspoilt, and

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largely unknown, island paradises. Contact: Sitmar Cruises, 39 Martin Place, Sydney (239 9000) for NSW; reservations and inquiries (008 42 2277); rest of Australia, reservations and enquiries (088 22 2277).

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, Savusavu, Suva, Vava'u and Vila on cruises from Australia. Contact: P&O Booking Centre, Thomas Cook Pty Ltd, 33 Bligh St, Sydney (237 0333).

Australia — PNG — Solomons — Vanuatu

A consortium of NGAL/PNG and CONPAC 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. Contact: Burns Philp & Co Ltd, PO Box R124, Royal Exchange, Sydney (20 547); Nedlloyd Swire, 8 Spring St, Sydney (20 522); New Guinea Express Lines, 37 Pitt St, Sydney (241 3991); Vila Agents, PO Box 27, Port Vila (2456), Tlx NH1011.

Australia — Kiribati

CCS operates a 6 weekly service from Melbourne, Sydney and Brisbane to Kiribati (Tarawa). Contact: Chief Container Service, 8 Spring Street, Sydney (251-2699) Fax 251-2271.

Australia — Tuvalu

CCS operates a direct service every second voyage to Tuvalu (Funafuti). Contact: Chief Container Service, 8 Spring Street, Sydney (251-2699) Fax 251-2271.

Australia — New Caledonia — Vanuatu

CCS operates a monthly service from Melbourne, Sydney and Brisbane to Noumea, Vila and Santo. Contact: Chief Container Service, 8 Spring Street, Sydney (251-2699) Fax 251-2271.

Australia — Solomons — Vanuatu

CCS operates a monthly service from Melbourne, Sydney and Brisbane to Honiara, Vila and Santo. Contact: Chief Container Service, 8 Spring Street, Sydney (251-2699) Fax 251-2271.

Europe — Tahiti — New Caledonia — Vanuatu

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

and Santo. Contact: The Bank Line, PO Box 952, Lae, Papua New Guinea. Telex: NE 44265, Tel: 421235, Fax: 422925; Columbus Line, Lae (423466), Tlx NE44171; Ets A.M. Fare UTE, Papeete; Ets Ballande, Noumea and other local agents.

Sofrana Europe Australia Line "Sofeal" operates a regular three-weekly service from North European ports including Felixstowe to Papeete from Noumea. Contact: from McArthur Shipping Agency Co Pty Ltd., Tel (02) 5502222 Telex AA24045 Fax 5191382.

Europe — PNG — Solomons

The Bank Line & Columbus Line operate a regular joint cargo service from Hamburg, Bremen, Antwerp, Rotterdam and Le Havre to Port Moresby, Lae, Madang, Kimbe, Rabaul, Kieta and Honiara and on inducement to Yandina. Contact: The Bank Line, PO Box 952, Lae, Papua New Guinea. Telex: NE 44265, Tel: 421235, Fax: 422925; Columbus Line, Lae (423466), Tlx NE44171; or lines' local agents.

Rarotonga Line operates regular services to Tonga and the Samoas from New Zealand. Contact: Sofrana Unilines (NZ) Ltd. Tel (09) 773279 Telex NZ2313 Fax (09) 393874.

Europe — W. Samoa — Tonga — Fiji

The Bank Line & Columbus Line operate a regular joint cargo service from Hamburg, Bremen, Antwerp, Rotterdam and Le Havre to Apia, Nuku'alofa, Suva and Lautoka. Contact: The Bank Line, PO Box 952, Lae, Papua New Guinea. Telex: NE 44265, Tel: 421235, Fax: 422925; Columbus Line, Lae (423466), Tlx NE44171; or lines' local agents.

Far East — Fiji — New Zealand

New Zealand Unit Express (NZUE) operates a monthly service accepting containerised and break-bulk cargo from Manila, Keelung, Kaohsiung and Hong Kong to Lautoka, Suva and thence to New Zealand ports. Contact: Carpenters Shipping, Private Mail Bag, GPO Suva, Fiji (312-244), Fax: (679) 301-572, Tlx FJ2199; New Zealand Unit Express, Maritime Building, 2-10 Customhouse Quay, PO Box 890, Wellington (727 865), Cables ENZUEMAN WELLINGTON, Tlx NZ31340 NEDLNZ, or Nedlloyd Swire Pty Ltd. Sydney (20 522).

Far East — Mid South Pacific

China Navigation's New Guinea Pacific Line operates a regular container and Break Bulk-Heavy Lift service from Hong Kong, Taiwan, Manila, Singapore, Malaysia, Thailand to Port Moresby, Lae, Rabaul, Kieta and Honiara with 18 days frequency. Wewak and Madang will receive four direct calls a year or more on inducement. A T/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, Rarotonga and Tarawa will be shipped via Japan or Busan on the monthly Bali Hai service. Contact: Steamships Shipping, PO Box 634, Port Moresby (220 283 or 220 289).

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. Contact: Hetherington Wesfarmers Shipping Agency, 37-49 Pitt St, Sydney (223 1600); Carpenters Shipping, Suva (312 244), Tlx FJ2199.

Guam — Northern Marianas

Saipan Shipping Co operates a weekly service via barge carrying containers and conventional cargo between Guam and Saipan and Tinian. Contact: Saipan Shipping Co. Inc, PO Box 8, Saipan CM 96950 (322 9706 or 322 9707). Tlx 783619; Fax (670) 322 3183; Guam agents Maritime Agencies of the Pacific Ltd.

Hawaii — Samoas — Tonga — Cook Islands

Hawaii-Pacific Line operates a monthly container service between Honolulu, Pago Pago, Apia, Nuku'alofa and Avatiu (Rarotonga). Contact: Hawaii-Pacific Maritime, Inc., PO Box 3264, Honolulu HI (9860)-32641 (808 531 4841). Apia — Pacific Forum Line, PO Box 655, Apia, Western Samoa, Tel (685) 20345, Tlx (793) 2345x, Fax (685) 22343; Rarotonga — Hawaii Pacific Lines Ltd, PO Box 54, Rarotonga, Cook Islands. Tel (682) 21780, Tlx (717) 6202 MARTINA RG, Fax (682) 24780; Pagopago — Kneubuhl Maritime Service Corporation, PO Box 39, Pagopago, American Samoa 96799, Tel (684) 6335121/6335122, Tlx (682) 505 KNEUBUHL SB, Fax (684) 6335100; Nuku'alofa.

Japan — Fiji — Island Ports

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ENVIRONMENT

The surrender of the tuna packers

By David North

BECAUSE of America's love affair with dolphins, more tuna boats will work the Western Pacific, and island governments will receive higher fees under the United States tuna treaty.

StarKist Tuna, America's largest tuna packer, announced in April that it would stop buying tuna from boats that fish "on dolphin" in the Eastern Tropical Pacific. It is in these waters that dolphins or porpoises (for reasons which mystify all observers) swim above schools or yellowfin tuna and have historically been killed by the purse seines. Two rival firms, Bumblebee and Chicken of the Sea, immediately followed suit saying that they, too, would buy only "dolphin-safe" tuna.

All three firms want to be able to claim that no harm is done to dolphins in their tuna fishing operations; the incidental killing of dolphins has seen vehemently attacked by American environmentalists for years.

Since the dolphin-tuna connection only exists in the Eastern Tropical Pacific, the tuna packers can make their claims by buying fish caught in other waters. Some of the tuna boats now in the Eastern Pacific will move to the Atlantic, and others will move into the Western Pacific. These expectations were discussed in detail at the recent meeting of the Forum Fisheries Committee (the governing body to the Forum Fisheries Agency) at its 18th meeting, held in Nauru.

The winners in this development, besides some of the island governments, are: America's environmentalists, StarKist, which reaped a public relations bonanza; and, of course the dolphins. The losers are some of the American tunaboat operators, whose patterns will be changed, and who may face greater costs, as well as foreign-owned tuna fleets who will be under pressure to follow the StarKist precedent.

For the last couple of years, US purse seiners working island waters have been covered by the US Tuna Treaty. While the US Government pays the island nations as flat US \$10 million a year under the treaty, the total amount of money paid by the industry to the island governments rises marginally as does the number of tuna boats fishing in the Exclusive Economic Zones (EEZs) of the island nations. (The tuna industry also supplies some \$250,000 worth of technical assistance each year to the island nations).

Currently, according to David Birney of the US Tuna Foundation, there are



32 American boats licensed under the treaty; each of these pays US\$50,000 a year for the license. Additional boats are expected to buy these licenses, at US\$50,000 each until the number goes over 40; licensed beyond that number come to US\$60,000 each. There are a total of 63 US purse seiners but there is an upper limit of 50 boats that may be licensed under the treaty. Although it is clear that the number of licensed boats will increase, the size of that increase is not known.

The U.S. government grant of \$10 million and the \$1.6 million (to date) in license fees are paid to the Forum Fisheries Agency (FFA) in Honiara; the moneys are then divided by FFA among the signatory governments. First, 15 per cent of the total income is divided equally among the 16 signatories, giving them about US\$100,000; then the other 85 per cent is allocated according to the size of the tuna harvest in each nation's waters. At last count, some 77 per cent of the US tuna treaty catch was in PNG waters, 19 per cent was in FSM's EEZ, and the remaining 4 per cent elsewhere. Thus "dolphin-safe" tuna will bring additional revenues primarily to PNG and FSM.

The "dolphin-safe" decision of the three major tuna packers was regarded as a major victory by American environmentalists, who have been struggling

with the tuna industry for two decades. It was particularly satisfying because there was an element of totality about it; this was not one of those incremental steps in which, for example, water pollution is better controlled or toxic wastes are buried more carefully, the stuff of so many environmental negotiations — here was a total surrender of a major American industry. In previous years the environmentalists had pushed the Marine Mammals Act through Congress, and caused dolphin-protecting observers to be placed on all US tunaboats, but these were only partial victories.

The tuna packers were eventually convinced that enough of their customers were worried about dolphins to cause them to change their practices. A growing number of American families had boycotted tuna over the dolphin issue and well-placed members of Congress were pressing a bill calling for the mandatory labelling of canned tuna as either "dolphin-safe" or "dolphin-unsafe". Given recent environmental victories on other issues in the current Congress such as air pollution, the tuna packers were worried about the labelling bill introduced in the Senate by Joseph Biden (Democrat, Delaware), a presidential contender during the run-up to the 1988 election.

To give an idea of the power of the environmentalists, and the widespread American affection for dolphins, there is the ongoing controversy about four sea-side pools in Hawaii and Florida. The owners of these tourist attractions allow paying guests to swim and frolic with the dolphins under the watchful eyes of dolphin-keepers. Dolphin-rights groups, however, have sharply criticised these operations on the grounds that though the tourists mean no harm, no one really knows what prolonged contact with human beings will do to dolphins. At the moment the swim-with-the dolphins attractions are being allowed to operate, but only on an experimental basis.

Another big winner in the dolphin-and-tuna situation was StarKist which came out smelling like a rose. Of the major players in the US tuna market, StarKist is the only one owned by American interests; it is a wholly-owned subsidiary of H.J. Heinz and Co., the Pittsburgh-based food giant. (Its principal rivals are Chicken of the Sea, owned by an Indonesian firm, and Bumblebee, the property of a Thai firm.)

Apparently all the major tuna packers had been thinking about a "dolphin-safe" tuna purchasing strategy for some time, but StarKist made its announcement first, totally overshadowing follow-on announcements by its rivals. □

INTERVIEW

LIZ THOMPSON



Gickmai Kundun: contemporary artist

GICKMAI Kundun is probably Papua New Guinea's most prominent sculptor. He sculpts with metal, scrap, found objects. He studied at the creative art centre, as it was known at the time when no qualifications were necessary. Kundun is from the Western Highlands where he once entertained thoughts of working as a linesman for Elcom or a prison warder or a member of the forestry department.

Now 34, he is living in Moresby and teaching at the National Art School. His images are poignant, their angles and expression remain etched in the mind. They depict traditional scenes drawn, he says, from his own village experiences. More recently they have included his fears and feelings about other issues-like nuclear testing in the Pacific. The metal is torn and ripped and cut, welded and soldered. There is no attempt to polish or smooth, the labour involved in using such a resistant medium is left clear and obvious. No attempt is made to smooth rough edges, clean joins, hide rust on bumper bars. Says he: "I want people to

see the labour, feel the hands, that these works were not done by machines."

There's something about Gickmai's work which is unique. There is something profound in his use of metals to describe cultural practices which are disintegrating as a result of technology. Rubbed back and sprayed with a fine varnish to prevent further rusting, the metals he uses are alive with colour. Depending on the light, they take on new and wildly different moods. In the sunlight, remnants of rust are yellow and orange, red. In artificial light they are green. The traces of past use, of knocks and bangs and rust are transformed into

traces, lines of expression which move and alter and bring the pieces alive, gives it a life of its own.

Kundun says a commissioned work is different from "his own work" because a commissioned work is being produced to satisfy someone else, his own work is not. He moves his large hands in the air, trying to talk about his inspiration but he can't find words. "It just comes," he says. "It just comes out from somewhere and I don't know where." You believe him.

There's something emotional, totally uncontrived and unrestrained in his pieces, as though in his physical struggles with the metals his emotions are purged. In their construction you can, as he hopes, read his energy and his labour. The works are an inspiration and a very exciting representation of the growing manifestation of contemporary art in the Pacific.

Kundun likes to talk about his work, his feelings about contemporary art in the region, its importance, significance and the frequent failure of governments

PACIFIC PEOPLE

LIZ THOMPSON



The Kuage Piece: Somebody made the Headman's daughter pregnant. The Headman is out to find out. The boy who did it changed into a bird.

to recognise and adequately support the arts. He spoke to *Pacific Island Monthly's* **Liz Thompson:**

What serves as your subject matter?

Normally my work is based on traditional legends because I grew up in the village. I have grown up in the village and seen all these things and now they are dying out, sing sings, celebrations. The everyday life that I have been

through is what influences me. I really enjoy it you know, if there is a sing sing and I get into my traditional costume and participate. When I was a kid I'd go out into the bush and hunt for birds and insects, we'd find fruits. But now when I go out to my village there is a big highway cutting across it and you hear noise, pollution, all these things. The place has changed, roofing irons, cars, vehicles.

People are drinking beer out there at a big club, when I was a kid there was no beer, no clubs, nothing. People are going after money, a lot of people are losing the culture that we have. I think I was lucky to see it.

As I moved into the city I could see the influence of the Americans, Australians, French, the powerful nations, we are too small. We try to say this is where we live, it is our environment. There are people out there, but they throw their nuclear rubbish, they test their nuclear bombs, so that is what I'm trying to do . . . let them know there are people living on that small island.

Are there other issues in the Pacific region which concern you?

Not really. I think about politics and equal rights for women but they haven't really appeared in my work as yet. Most of the time it's the tradition and the culture that I work on because I'm sad to see it dying out.

There is a new art emerging. How important is that to Papua New Guinea society as a whole.

For Papua New Guinea, for me, it's very important. If I have my culture, it's a support, if I don't have that I don't have any backing up. Things are changing. Modern civilisation is bringing in the power and the steel, when things are changing so fast it's very important to retain an idea and understanding of your culture. People, artists, must have this tradition and culture backing us up, otherwise we are nowhere.

Do you have clear pictures of what you're going to do before you start work or does it just evolve?

No, I don't have a maquette, I don't have drawing, it just comes to me when I work. I cut bits and pieces of metal and put them together and so on. It's the heart you know, not the mind.

You have in your work, some clean cuts, some ripped metal with no attempt to smooth it over . . . those textures created through welding are very expressive textures. How do you achieve that and are they also part of how you're feeling about the work?

It's all part of it. I don't like polishing my work, varnishing it or making it shine. I want to leave the texture and colour, it's natural. Someone has been putting a lot of time in and people have to see that. Welding, cutting and if you polish it or paint it that doesn't show, it looks like it's been produced by a machine. A lot of people say I should paint my work or sand blast it but I want to leave some mark on it, so people can see, see that someone has been working on it, it's made by my hands.

How do you produce those wonderful variations of colour?

The rusty colours are there already. I collect all the bumper bars and metals

PACIFIC PEOPLE

LIZ THOMPSON



LIZ THOMPSON



LIZ THOMPSON



LIZ THOMPSON



from the dump. When they've rusted I scrape them back and spray them to stop the rust continuing, that's all it is.

Can you earn a living from the sale of your art?

It's very hard. The cost of living in Port Moresby is very high but that's not all. Here you have the wantok system which is a cultural problem. If you make

money it has to be distributed, family, brothers, bride price and there are very few buyers in Papua New Guinea.

Do you think the government recognises the importance of contemporary art? Is there enough money being put into it?

It's largely dependent on who you know. The money given by government is just enough for the department to run

but if someone wants to have an exhibition they have to approach business people or government departments. If you know someone in government, you have to go and ask, beg, can you help me? or you look for a sponsor. It comes down to the individual. You can't rely on the government to provide the finances. I don't think they will help us.

You won a Commonwealth award which meant studying in India for six months and you exhibited at the Sydney Biennale. Who supported those trips?

The Commonwealth institute funded this Bombay trip. The Australian government awarded me a council award which involved visiting artists and art schools in Australia. In both cases I learnt a lot. I learnt a lot from other people about Indian culture and had a show in Bombay. A lot of people liked my work but most of those in India didn't know where Papua New Guinea was so I had to take a map. Someone has to go out there and show people we are still part of this earth.

Can the arts promote a more positive image of Papua New Guinea?

The government promotes art and culture here but most of the time they promote the traditional, the carvings. They have to promote the contemporary as well. We can show other countries that we have this, that there are contemporary artists in Papua New Guinea. When I was in Sydney at the Biennale a lot of people, on hearing I was a sculptor, assumed I was a Sepik wood carver. Most people think of PNG art as Melanesian carvings. "What carvings have you brought with you," they asked. You have to say no, no, no, I'm from the Highlands and I'm doing something different. They say 'Oh, you did all this, where did you learn all this'. A lot of people are surprised to see the art in Papua New Guinea is coming up, you know, that contemporary work is coming up. □

PACIFIC ISLANDS

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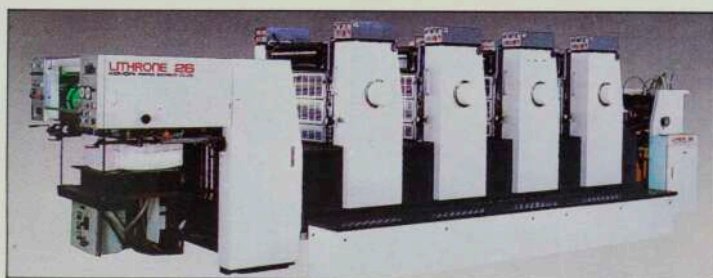
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