

Fiji

For Fiji, 1991 was a year of continuing political turbulence and economic uncertainty. The country weathered several actual and threatened industrial strikes, and witnessed the emergence of a number of political parties in anticipation of the general elections scheduled for May 1992. The economy faced the full onslaught of the interim regime's deregulation measures, which brought it into confrontation with trade unions and other opposition parties. The year will be remembered as pregnant with many ominous possibilities, and some of them will be manifest in 1992.

On the political front, several important developments took place. The political party backed by the Great Council of Chiefs, the *Soqosoqo ni Vakavulewa ni Taukei* (SVT), whose formation was approved by the council in June 1990, formalized its constitution and began the highly divisive process of selecting candidates to contest the 37 Fijian communal seats. The SVT, says its constitution, will promote the interests of the *taukei*, the indigenous Fijians, "in association with other ethnic communities in Fiji," seek to reestablish Fiji's links to the British Crown and with the Commonwealth, and pursue economic policies that promote economic growth and development within an essentially deregulated environment to allow "world market forces to determine prices and production for export and local markets through an efficient and productive private sector enterprise" (SVT constitution, 10). In

November 1991, Sitiveni Rabuka was elected to the presidency of the party, winning 9 of the 19 votes cast to Adi Lady Lala Mara's 6 and Ratu William Toganivalu's 4.

The election of a commoner (although an uncommon one) over two high-ranking chiefs to head a chiefs' party provoked much comment. Some Fijian observers raised fundamental questions about the inevitably corrosive impact on the Fijian chiefly system of chiefs participating in the hurly-burly of electoral politics as traditional representatives of their people. Others saw the formation of the SVT as essentially an attempt by the eastern-dominated chiefly establishment to control the political destiny of the *taukei*, and to maintain the status quo.

One of these was the ever-mercurial Apisai Tora, who at various times in his checkered political career has belonged to the Indo-Fijian-backed National Federation Party, the Alliance, and in 1987 the violence-threatening, stridently anti-Coalition Taukei Movement. "Our firm view," he said "remains that the *Bose Levu Vakaturaga* [Great Council of Chiefs] should be at the pinnacle of Fijian society, totally removed from the taint of ordinary politicking" (FT, 10 Oct 1991). In July, he launched his own party, the All National Congress (ANC), a move that brought the wrath of the interim regime and cost him his cabinet position in the interim government. With its base in western Fiji, a place with a long history of political dissent against both the colonial state and the postco-

lonial Alliance government, the ANC presented itself as a multiracial party for all the people of Fiji. To no one's surprise, Tora presented himself as a changed person, "a moderate and a democrat," saying that Fiji had to find a home for all its people on the basis of justice and fairness: "The people of Fiji, whether we are Fijians, Indians or Europeans, or whatever, are here and here to stay. There is no place else for us to go" (*FT*, 7 Aug 1991). In 1987 Tora was among those calling for the emasculation of Indo-Fijians' political rights. He hopes to win a number of seats in western Viti Levu as well as a few ANC-aligned General Voter seats to hold the balance of power in the next parliament.

Several other Fijian splinter parties, such as the Fijian Conservative Party and Sakiasi Butadroka's Fijian Christian Nationalist Party (formerly the Fijian Nationalist Party), hope for a similar outcome. Butadroka's party has changed its name but not its platform. It still demands the political obliteration of the Indo-Fijians and complete Fijian control of the economy, including the return of all fee simple and other lands to indigenous hands. In November, Fijians in western Viti Levu launched their own Fijian Landowners Party, with a pro-western Fijian platform similar to the policies of the Western United Front of the 1980s (Lal, 1983). The emergence of splinter Fijian parties is not altogether surprising, though their impact on the Fijian political scene is not likely to be significant. A diminishing fear of the threat of Indo-Fijian political dominance, a quiet but strong suspicion of the hegemonic ambition of eastern Fijians, and

personal political aspirations, mean that political fragmentation will be a continuing feature of *taukei* political life.

On the Indo-Fijian side, too, there is evidence of political fragmentation. In 1991 a number of parties emerged, essentially fragments of bodies formerly associated with the now-defunct Alliance party. Among them were the Fiji Indian Congress and the Indian Liberal Party. However, these parties are not likely to have any major electoral impact; some may even vanish before election day 1992. Although dormant since the coups of 1987, the National Federation Party (NFP) remains the dominant, representative voice of the Indo-Fijian community. The combination of a racially discriminatory constitution that gives Indo-Fijians (nearly half the total population) only 27 of the 71 seats, various pro-Fijian policies of the interim regime, and a general sense of helplessness has given the party (and its constituency) a sense of cohesiveness that it has rarely enjoyed in the past.

In September 1991, the NFP decided to participate in the forthcoming elections under protest. The decision was taken to prevent the Indo-Fijian seats from being occupied by "irresponsible people," in Jai Ram Reddy's words (*FT*, 21 Sept 1991). There was also the realization that, whatever the NFP's attitudes, many Indo-Fijians would contest the seats for reasons of their own, including settling old scores. Boycotting the elections, the party leaders apprehended, would be disastrous for their community's broader interests and severely detrimental to the party's future survival.

Although the decision to participate may have pleased many disenchanted Indo-Fijians, it deeply dismayed the NFP's coalition partner, the Fiji Labour Party (FLP), which had resolved earlier to boycott the elections. How could the party contest elections under a constitution it had proclaimed to the world to be racist, feudalistic, authoritarian, and unjust? Participation in the elections, argued the FLP leaders, would give legitimacy to the constitution and amount to its acceptance. But principled resolve eventually gave way to practical realities. Fearing political marginalization and urged by their supporters, the FLP's indigenous Fijian strategists effectively jettisoned their previous position and began to explore ways of forging a common ground with other independents and like-minded parties to oppose the SVT (*Daily Post*, 29 Oct 1991). As the year drew to a close, several FLP Fijians were preparing to stand as independents. The difference of opinion between the FLP and the NFP, on contesting the election, ended the coalition arrangement between them.

The fluctuating fortunes of Sitiveni Rabuka frequently made the headlines in 1991. The news that shook Fiji in June 1991 was Rabuka's stinging criticism of the interim government, which, the general said, had lost touch with the people, "got it all wrong," and ought to resign. "This government is a reactionary government," Rabuka said, "made up of overpaid people who sit on their laurels and wait for something to happen before they react" (*FT*, 5 June 1991). He even threatened to "repossess power" he had invested in the president. Two days later, however,

Rabuka backed down when Ganilau, who is also Rabuka's paramount chief, said he was "extremely disappointed, dismayed and shocked" by the general's utterances and demanded an unconditional apology from him; this was offered to both Ganilau and Mara and his cabinet colleagues. According to confidential sources within the interim government, Rabuka had planned to sack the government and replace it with a "national front" administration, but the move failed when senior officers of the army balked. Doing an incredible about-turn a month later, Rabuka accepted Mara's invitation to join the cabinet as co-deputy prime minister and minister for home affairs (which oversees the army, police, and security forces). Mara had outmaneuvered the erratic general, or so it seemed for a while.

While in the administration, however, Rabuka continued to be an irritant to his cabinet colleagues. He made no secret of his desire to become prime minister "to fulfil my objectives and my promises of 1987" (*PIM*, Aug 1991). Projecting himself as a populist consensus maker, Rabuka helped to resolve the sugar dispute. He angered many chiefs by insisting, as the Coalition had done in 1987, that they should not mix their traditional political roles. His distinction between "meritorious" chiefs and "traditional" chiefs displeased many, especially his remark that the dominance of Fijian chiefs would end soon with "replacement of traditional aristocracy with meritocracy" (*FT*, 29 Aug 1991). In November, Rabuka was elected to the presidency of the SVT, providing Mara with the opportunity to force his resignation from Cabinet.

Rabuka insists that he considers himself the front-runner for prime minister, but most people in Fiji think (and hope) that the post should go to Josefa Kamikamica, the clean technocrat widely credited with improving the performance of the Fijian economy.

Rabuka's changing fortune is not difficult to explain. His professed lack of interest in politics, as expressed in 1987, has been overtaken by his ambition to become prime minister or at least play a prominent role in national politics for about fifteen years. This explains why he embraced populist positions to widen his appeal and power base. But such activities displeased others, like Mara, who had hoped that after executing the coups, Rabuka would disappear from center stage and leave the chiefs of the old Alliance party to run the government. Rabuka refused, seeing himself, again like Mara, as being indispensable to the destiny of his people. Tension between the two men, who are alike in both their autocratic temperament and their highly developed sense of personal mana, will continue to make waves in Fijian politics.

On the economic front, the interim regime continued its multipronged effort to resuscitate the economy severely battered by the coups and in 1991 growing at the sluggish rate of 1.5 percent instead of the projected 3.4 percent (*SSD*, 25 Oct 1991). It continued to court investment from Asian countries to break the monopoly of Australia and New Zealand. Pakistan's Habib Bank opened in March 1991, and a Korean company bought 1200 hectares of fee simple land in Vanua Levu to establish a pineapple farming and can-

ning factory, hoping to produce 15 million pineapples for export in 1994. Malaysia's Borneo Finance Group began a joint venture with the government-owned National Bank of Fiji in April. In July, the Fiji National Petroleum Company (Finpeco) gave Malaysia the sole right to distribute petroleum products in Fiji, even though independent assessments show this last move especially to be expensive.

At the same time, the regime continued its program of deregulating the economy. The tax-free-zone scheme, which gives significant tax and other concessions to companies that export 90 percent of their produce, continued. In July, 313 companies representing an investment of \$102 million, operated in Fiji under the scheme, while another 114 proposals were approved (*PR*, 21 Aug 1991). Plans were also approved to extend the tax-free base beyond the garment industry to include timber processing and light manufacture of technical equipment. There is no doubt that the scheme has been a significant shot in the ailing economy's arm, providing employment and improving the balance of payments. Yet, independent research confirms increasing poverty among lower-income families in Fiji (Barr, 1990).

In related economic changes, the interim regime proposed to introduce a 10 percent value-added tax on all major goods and services, a move its critics say will increase the cost of most major items by 6 to 8 percent and which the government says will reduce the marginal tax rate from 40 percent to 35 percent and abolish the basic tax. The value-added tax will come into effect in 1992.

The interim administration tended to see all industrial problems as being caused by a hostile trade union movement bent on embarrassing it at every opportunity. As a result in May at the national economic summit held in Suva, the regime proposed (and later enacted) a number of far-reaching controls on the operation of trade unions in the country. The changes include the removal of immunity from prosecution of trade unions in cases of damages arising from "unlawful" trade disputes; the introduction of company-based unions; the prohibition of industrial associations from acting as trade unions; the use of postal or workplace ballots for election of union officials (as opposed to election at annual meetings); the amendment of the Trade Disputes Act to widen the definition of a strike to include other forms of industrial action such as go-slow, work-to-rule, and withdrawal of goodwill; and the abolition of wage councils because "getting more people into jobs is considered a better way of addressing low household income than imposing an arbitrary minimum wage which denies many people access to income" (*FT*, 3 Nov 1991). The Fiji Trades Union Congress claimed that these policies "appear to be fuelled by a savage intent to constrain and ultimately destroy trade unions," (*FT*, 5 Nov 1991) and has vowed to enlist international support, including overseas shipping and airline bans, to have them repealed. As 1991 drew to a close, the stage was set for a bitter confrontation between the trade unions and the interim regime.

Finally, disputes in the sugar industry also dominated the news in Fiji, bringing the country to the brink of a

strike in May. The main issue in the dispute was the farmers' demand for the payment in full of the forecast price of F\$43.70 per tonne of sugar. The Fiji Sugar Corporation proposed to pay only F\$34.96 per tonne, on the grounds of declining world price for sugar, bad weather, mill breakdowns, and harvest delays (*IBP*, May 1991). After much pressure, the corporation agreed to pay F\$6 more as part of the third and final payment. When the farmers refused to accept this offer and demanded prompt elections for the Sugar Cane Growers Council, through which they could air their grievances, the president promulgated decrees providing for fourteen-year jail sentences and fines up to F\$10,000 for anyone who refused to plant, grow, or harvest their crops, or in any way impaired the running of the sugar industry. When the farmers still refused, the president threatened to use the army to harvest cane, a prospect strongly condemned by Rabuka. In the end, however, the farmers' pressure paid off. The president, with the help of General Rabuka, revoked the decrees, and the farmers lifted their boycott and agreed to participate in an all-industry conference.

Subsequently, the farmers accused the interim regime of renegeing on its promises and delaying elections to the Growers Council, and organized a three-day no-harvest strike in November. The tensions remain. The farmers' anxiety was not relieved by the recommendations of a World Bank report that included a steep increase in lease rentals to bring them into line with world market prices. The recommendations are sure to become a sensitive issue in the 1992 general elections.

In sum, 1991 was a year of declared intentions, pyrrhic victories, and hardening positions on both sides of the political divide in Fiji, sowing seeds of issues and concerns that will come to life in 1992. To paraphrase the words of Herman Melville, 1991 was like a ship on its passage out, not a journey complete.

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NEW CALEDONIA

In the context of the continuing implementation of policies arising from the Matignon Accord, 1991 represents a year of transition between the creation of the new institutions—particularly the provincial system—and the political reassessment to be accomplished in 1992 by the independentists prior to the

negotiation of development contracts for 1993-1997.

The concept of economic redistribution for the territory, which at first had mostly involved the adoption of the provincial system, gradually evolved toward new concepts as the gap that existed between the large infrastructure projects proposed by the provincial governments and the actual expectations and needs of local communities became apparent. Increasingly, decisions regarding development were being taken at the level of municipal governments. A discrepancy exists between the need of many municipalities in the back country and the islands for public facilities and their financial resources. Recognition of this discrepancy led to a proposal to the territorial congress to establish for 1992 an Inter-municipal Readjustment Fund (Fonds Intercommunal de Péréquation) to finance these public facilities. The municipality of Noumea would not be a part of this system, and would instead operate under a State-City contract.

Alain Christnacht, the new high commissioner and central government delegate for New Caledonia, assumed his post in January 1991. He had served as secretary general for the territory from 1980 to 1982, and had been head of Cabinet for the minister for Overseas Territories since July 1988.

In April, the RPCR (*Rassemblement pour la Calédonie dans la République*, the loyalist party) held its first convention since that of July 1988, immediately after the signing of the Matignon Accord. Jacques Lafleur, reelected RPCR president, described how he

expected the situation to develop after 1998. Convinced that the independentists would fail to reach a solution through the 1998 referendum, he proposed a solution by consensus, to be defined according to the ratios between the various factions that emerge from the territorial elections of 1995.

This proposal was approved by the president of Union Calédonienne (UC), the majority component of the FLNKS (*Front de Libération Nationale Kanak et Socialiste*, the umbrella organization grouping various independentist factions). UC President François Burck concluded that the concept of a Kanak and socialist independence had evolved, and that independence for New Caledonia should no longer be thought of as a breakaway from France, but as an interdependence. Burck considers that the makeup of the consensus mentioned earlier has yet to be defined, and that it should be the subject of debate before the elections of 1995. In an interview in the Paris daily *Libération*, Léopold Jorédié, president of the North Province chapter of the UC, raised the idea of creating associated federated states that would assume, progressively, a part of the responsibilities of the French central government in matters of immigration, mining, and foreign trade.

UC's grass-roots membership, for whom the 1998 referendum can still be summed up as a choice between France and independence, has yet to express its opinion on these proposals by its political leaders. The PALIKA party (*Parti de Libération Kanak*, one of the minority factions within the FLNKS, to which belongs Paul Néaoutyine, cur-

rent FLNKS president) has voiced strong opposition to these proposals, arguing that they would lead to a breakup of the territory. He has requested of North Province President Léopold Jorédié that he resign from office on account of the incompatibility between his statements and the policies of the FLNKS.

The dispute that for months put the mayor of Lifou (also first vice president of the Loyalty Islands Province) in opposition to the island's traditional chiefs is typical of the problems that are cropping up with increasing frequency as new development projects affect Melanesian landownership structures. Whereas land disputes used to occur mostly between Melanesians and Europeans, a recent increase in the number of such disputes and litigations between Melanesians is noticeable. This increase is most likely due to the new financial dimension given to land by development projects. The need to define for the future the respective roles of the traditional chiefs and the political leaders has been the subject of numerous debates within the various independentist factions during the year.

Generally, the social climate has been less tense than in 1990, despite a number of strikes, many of which were prolonged because of the rivalry between the two major labor unions, the *Union Syndicale des Travailleurs Kanak et Exploités* (Union of Kanak and Exploited Workers, USTKE) and the *Union Syndicale des Ouvriers et Employés de Nouvelle-Calédonie* (Union of New Caledonian Workers and Employees, USOENC).

The slowdown in economic activity that was observed in 1990 continued through 1991, in spite of a recovery in the production and exportation of nickel ore during the first two quarters; the production of metal remained stable. At mid-year, the tight economic situation was still affecting industry and trade, both wholesale and retail.

For the first nine months of 1991, activity in the tourism sector was slightly lower than in the previous year. By the end of September, 60,255 visitors had been recorded, 2.7 percent fewer than for the same period in 1990. This was mainly due to a marked drop in Japanese visitors during the first quarter.

Although inflation registered a significant drop in 1990, it rose again in 1991. By October, the rise in retail prices had reached 4.3 percent, against an increase of 1.4 percent for the whole of 1990.

On the international scene, relations between the territory and the nations of the Pacific region intensified. Two ministers from Vanuatu (for Health and for Agriculture) paid an official visit in March. In July, the Fiji Foreign Trade minister and the Solomon Islands Foreign Affairs minister came to New Caledonia on a mission for the South Pacific Forum. In October, the governor of American Samoa came on an information mission, followed in November by the deputy prime minister of New Zealand, and in December by the prime minister of Papua New Guinea.

Another sign of the growing integration of the territory into the political environment of the region is the appointment of Jacques Iékawé to the

post of secretary general of the South Pacific Commission during the Thirty-first South Pacific Conference in Tonga in November. He is the first French-speaking Melanesian and the first Caledonian to hold this position. Iékawé, aged forty-five, was born on the island of Tige in the Loyalty group, and had been secretary general for the territory from 1988, until he became territorial secretary (*préfet délégué*) in charge of economic development in March 1990.

FRANÇOIS SODTER

PAPUA NEW GUINEA

Some negative trends of recent years continued in 1991. Although growth in the minerals sector approached boom proportions, the rest of the economy, on which the vast majority of the population depends, remained sluggish. A widening gap between expectations and opportunities continued to aggravate problems of social control and to place resource development efforts in jeopardy. Meanwhile, the secessionist crisis in Bougainville, where these problems are most starkly illustrated, remained unresolved after three years.

The government's attempt in 1991 to confront the formidable law-and-order problem was the most comprehensive to date. According to Prime Minister Rabbie Namaliu, crime threatened the viability of major resource projects and "the very future of our young country" (TPNG, 21 March 1991). Some of his crime-fighting measures were designed to improve the state's ability to exercise social control. Curfews were imposed in Port Moresby and other cities to restrict the movement of "rascal"

gangs, and facilitate raids on "known criminal areas." The defense force was called out in support of the police, who were provided with improved equipment and a larger operating budget. Twenty overseas police officers were recruited to join the forty or so already in Papua New Guinea under the Australian-funded Police Development Project (*TPNG*, 19 Sept 1991). Namaliu also promised more legal expertise to boost conviction rates, and maximum security sections for prisons in Port Moresby and Lae to reduce the number of escapes.

The curfews brought an immediate reduction in urban crime. However, if past experience with paramilitary crackdowns is anything to go by, the lull in criminal activity will be only temporary (Harris 1988). Ongoing problems with police discipline were illustrated in November when police upset with housing allocations rampaged through Gordon's Barracks (*TPNG*, 14 Nov 1991). Some time may also be needed to rectify existing problems of recruitment, training, and retention in the court system.

In addition, Namaliu promised to fight crime through legislative action. The death penalty was duly introduced by Parliament as an option for violent crimes such as murder and gang rape, although the proposal to tattoo criminals' foreheads was not pursued. Some measures required amendments to the 1975 constitution. Established principles of protection under the law were modified to accommodate a section of the 1977 Inter-Group Fighting Act that requires accused persons to prove they did *not* take part in tribal fighting. In a more significant departure from exist-

ing principles, Parliament amended constitutional provisions protecting personal liberty. The purpose was to clear the way for the reintroduction of the controversial Vagrancy Act, ruled unconstitutional in 1977, as well as a bill "to allow the repatriation of unemployed people and trouble makers to their home areas" (*TPNG*, 21 March 1991). If introduced, these measures will give the state formidable powers to restrict freedom of movement in Papua New Guinea.

The national service scheme for youth was the most innovative crime-fighting measure announced by Namaliu in March (Boyce 1991). Minister for Forests Karl Stack was put in charge of the new Ministry of the Interior, and a task force established to develop the concept further. At first the proposed scheme involved the recruitment of some six hundred ex-Gurkhas to help establish an armed national guard. However, most of the military aspects had disappeared by the time the revised proposal emerged from Cabinet in August. In its latest form, the proposal calls for one-year compulsory national service for males between the ages of sixteen and nineteen years, and voluntary service for eighteen- and nineteen-year-old females. When fully established in the mid-1990s, the renamed National Service Corps will consist of thirty-two hundred staff supervising some thirty thousand youth at two hundred training posts throughout the country. The scheme will be launched on a trial basis in 1992, with pilot projects in each province providing training to young male volunteers.

The authors of a major law-and-order report pointed out in 1984 that

similar schemes in other parts of the Third World have generally been unsuccessful, shortlived, and very expensive to administer (Clifford, Morauta, and Stuart 1984, 125–126). If implemented as planned, Stack's scheme will cost at least 70 million kina a year, a significant proportion of the national budget. Moreover, youth mobilization and training on this scale may prove problematic in Papua New Guinea where modern-sector employment prospects are extremely poor.

In 1988 the World Bank (1988, 34) predicted that only 15 percent of the estimated forty-four thousand new entrants to the workforce each year would find formal-sector employment. On the assumption that there was a causal relationship between unemployment and crime, the government began work in 1991 on strategies to reduce unemployment. Early in the year, it announced new measures designed to revive commodity production in the stagnant agricultural sector of the economy (*TPNG*, 7 Mar 1991). Some aimed to reduce the cost of agricultural inputs, while others promised improvements in extension services, research, and training. However, in the absence of a dramatic increase in export prices, which remain very depressed, the prospects for growth in this sector are poor.

In September 1991, a major new initiative to stimulate growth in the non-mining sector of the economy was unveiled by Minister for Trade and Industry John Giheno (*TPNG*, 5 Sept 1991). The central focus of the Medium Term Industry and Trade Development Action Plan was industrial development through resource-based downstream processing. Most of the pro-

posed new manufactured products would be for export, although some would replace imports on the domestic market. In addition, the possibility of developing "basic industries such as cement, steel fabrication, ships and boat building" was to be pursued. The general idea was to attract investors to selected industrial sites where utility charges, rents, wages, and other costs are controlled or subsidized. Most of the basic industries, and some aimed at import substitution, would presumably be established with the help of protective tariffs.

Announcing an earlier scheme to increase the labor content of government-funded construction work, the prime minister vowed that "any resistance to this change or any undermining of our policies will be crushed" (*TPNG*, 28 Mar 1991). Nevertheless, crucial parts of the plan are likely to encounter considerable resistance, not only from an unwieldy bureaucracy, but from the increasingly influential World Bank. In a survey produced in conjunction with the fourth annual meeting of Papua New Guinea's major aid donors, the bank urged, among other things, "outward oriented" trade policies and an end to import protection (*TPNG*, 13 June 1991). At its Singapore meeting in May, the Consultative Group for Papua New Guinea authorized an aid package worth US\$560 million.

The minerals sector continued to expand despite some setbacks. Construction of stage two of the giant gold mine at Porgera, and its natural gas-fired power plant, was completed during the year, boosting production to 841,000 ounces for the first nine months of 1991 (*TPNG*, 24 Oct 1991).

Even more significant, work commenced on the Kutubu oil project, which is expected to start producing 128,000 barrels a day in August 1992.

Landowner protests continued to plague Papua New Guinea's major resource projects during 1991. There were several upheavals at the Kutubu project, and in November the premier of the Southern Highlands province threatened to shut the project down unless more local benefits materialized (*TPNG*, 21 Nov 1991). Dissatisfied landowners forced work to stop at the Lihir gold project in July, and by September there were reports that the mine would not go ahead unless the investment climate improved (*TPNG*, 4 July, 12 Sept 1991). The most serious incident came in March when a group of armed men led by a local politician closed down the Mount Kare gold mining project to press demands for a new road (*TPNG*, 21 Mar 1991).

Early in the year the national government expressed interest in US businessman Jay Pritzker's offer to take over moribund Bougainville Copper Limited (*TPNG*, 28 Feb, 4 Apr 1991). But these plans seemed premature as several attempts to settle the Bougainville crisis floundered during 1991. Indeed, neither the national government nor the secessionists appeared capable of developing a unified and coherent approach to the problem.

Most consistent in its approach was the Papua New Guinea Defence Force, which had reestablished control of the northern island of Buka in 1990. The overall military strategy was to secure zones of influence in the north and south of Bougainville, thereby isolating the rebel strongholds in the central part

of the island. By the end of 1991, the army was ensconced at several coastal locations in the north. The most ambitious military operation came in April, when troops landed from a patrol boat north of Arawa, blew up the Arakabal bridge near Manetai, and then drove for six hours to the safety of the northern tip of the island (*TPNG*, 18 April 1991).

This military adventure was not formally authorized by Cabinet, although some government ministers apparently had prior knowledge of it (*TPNG*, 2 May 1991). Some prominent "doves" in the coalition government, including Bernard Narokobi and Father John Momis, complained bitterly that they had not been consulted. Their bitterness was understandable, because the action appeared to deal the final blow to the Honiara Declaration on Peace, Reconciliation and Rehabilitation on Bougainville that Momis, Narokobi, and Foreign Minister Somare had negotiated in January.

Like its predecessor, the 1990 Endeavour Accord, the Honiara Declaration deferred the critical issue of future political status until after peace could be achieved, government services restored, and a rehabilitation program launched (*TPNG*, 24 Jan 1991). The most significant new provision was for the involvement of a multinational supervisory team. However, by the end of the year this team, which the London-based Commonwealth Secretariat offered to coordinate, had not been assembled. Government services had been restored only in those parts of the province controlled by government forces, and even emergency medical supplies remained scarce elsewhere.

The opposition of the military undoubtedly contributed to the downfall of the Honiara Declaration. In July, Father Momis charged that the military had interfered with his efforts to restore services (*TPNG*, 18 July 1991), and in October International Red Cross officials reported that troops in Rabaul and Buka had been deliberately blocking their shipments of essential medicines for several months (*Age*, 15 Oct 1991). Furthermore, the Namaliu government appeared unwilling or unable to overcome this opposition. Colonel Leo Nuia, the architect of the April foray into Bougainville, received no more than a reprimand. He was finally dismissed in June—but only after he publicly confirmed that Australian-donated helicopters had earlier been used as gunships and to dump bodies of rebel suspects at sea (Snow 1991).

Problems of disunity were equally apparent on the Bougainville side of the dispute. The most influential men in Bougainville in 1991 continued to be the self-styled president of the republic, Francis Ona, and members of his Supreme Advisory Council. The Interim Government, consisting mainly of politicians and church leaders, appeared to have only limited power. This was publicly demonstrated shortly after Interim Government Chairman Joseph Kabui signed the Honiara Declaration on behalf of the Bougainville secessionists. When the first shipment of relief supplies reached Kieta in February, Bougainville Revolutionary Army Commander Samuel Kauona told reporters that Kabui had acted without authorization and that

the agreement meant nothing (*TPNG*, 28 Feb 1991).

In October, leaders from the southern part of the island signed an agreement with the national government to establish an Interim Constituent Assembly (*TPNG*, 24 Oct 1991). At year's end, national government officials appeared confident that Bougainville would soon return to normal as more of these interim authorities appeared. In November, however, rebels attacked an army camp near Tinputz. Ona claimed that the raid, which left fifteen of his men dead, showed the determination of the people of Bougainville to resist any reinvansion attempts. He promised that the Bougainville Revolutionary Army would "fight to the last man" (*TPNG*, 7 Nov 1991).

The opposition fell into disarray in 1991, and the Namaliu government had little difficulty getting some major pieces of legislation through Parliament. In addition to the law-and-order provisions already mentioned, Parliament finally adopted a constitutional amendment that prohibits parliamentary motions of no confidence for the first eighteen months of a prime minister's term in office (*TPNG*, 25 July 1991). This should have a profound effect on national politics in Papua New Guinea, where such votes have been frequent and disruptive.

The government encountered considerable opposition from university students when politicians voted themselves a pay raise in May. Claiming to act on behalf of "the silent majority who do not have the access and the intelligence to know what is going on,"

the students burned government vehicles and boycotted classes (*TPNG*, 3 May 1991). Prime Minister Namaliu quickly promised that Parliament would reverse the decision when it reconvened in July, but the students demanded an immediate special session of Parliament and continued their boycott (*TPNG*, 6 June 1991). The standoff ended in June with the suspension of the Student Representative Council, the arrest of three student leaders, and the arrival of armed police on the Waigani campus of the University of Papua New Guinea (*TPNG*, 20 June 1991). By then it was too late to make proper arrangements for the second term, and the students were sent home for the rest of the year (*TPNG*, 4 July 1991).

In September, Deputy Prime Minister Ted Diro, the most prominent of the many individuals implicated in the 1987 forest industry inquiry, was finally dismissed from Parliament after a leadership tribunal found him guilty of eighty-one charges of misconduct in office. Diro did succeed in having Mr Justice Amet removed from the first leadership tribunal formed to hear his case. Apparently acting on information received from Mrs Leila Barnett, the estranged wife of the author of the forest industry report, Diro argued that he would not receive a fair hearing from Amet because he was a close friend of Barnett (*TPNG*, 8 Aug 1991). However, he appeared only once before a new tribunal headed by Mr Justice Ellis, refusing to participate further after the Barnett reports were admitted as evidence (*TPNG*, 12 Sept 1991).

The most dramatic moments came

in early October after the tribunal recommended that Diro be fined 3,300 kina and dismissed from public office for three years. These recommendations were duly transmitted to the governor-general who has an unambiguous constitutional obligation to act accordingly. However, Sir Serei Eri, a fellow Papuan, refused to sign the dismissal, claiming that it would result in political instability. Cabinet had no option but to seek Sir Serei's own dismissal, especially after hearing evidence that he had attempted to interfere in the work of the tribunal on two earlier occasions. The government subsequently accepted Sir Serei's resignation, which he tendered shortly before the request for dismissal reached Her Majesty the Queen in London (*TPNG*, 3 Oct, 10 Oct 1991). He was replaced by Southern Highlands Member of Parliament Wiwa Korowi.

It was not a good year for Papua New Guinea's foreign relations. Accusations of human rights abuses on Bougainville continued, fueled by the televised statements of Colonel Leo Nuia and the deliberate blocking of medical supplies to the island. The accusations came mainly from church and community groups in Australia, but reached a wider audience in August when secessionist leaders presented their case to a United Nations human rights subcommission in Geneva. Government officials responded by attacking foreign journalists for conveying negative images of Papua New Guinea, and the Australian government for issuing visas to Bougainvillean leaders traveling overseas. Relations with Australia were strained further in Septem-

ber when a new joint agreement on security cooperation fell far short of official expectations in Port Moresby (TPNG, 12 Sept 1991).

Relations with Solomon Islands were also at a low ebb in 1991, as Papua New Guinea urged a reluctant Honiara to do more in the fight against the Bougainville secessionists. The biggest humiliation of the year, however, came in September when Foreign Minister Sir Michael Somare lost a bid for the presidency of the United Nations General Assembly, which officials had earlier claimed was all but in the bag (TPNG, 19 Sept 1991).

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SOLOMON ISLANDS

Prime Minister Solomon Mamaloni, a leader used to the rough and tumble of island politics, warned the country in his 1990 Christmas message that 1991 would not be an easy year (ss, 11 Jan 1991). This proved to be the case, and the government's travails came from both within and outside the country. Among the many issues of 1991, two stand out—the state of the economy and diplomatic relations, especially relating to the Papua New Guinea–Bougainville debacle.

The central focus of the government was on improving the economy. In his March budget speech, Minister of Finance and Economic Planning Columbus Abe defined the country's major economic problems as a widening government deficit, poor terms of trade, and a failure to be competitive. The government's strategies to remedy these problems include commercialization and privatization of government holdings and services, upgrading government financial management capabilities, and restructuring the public service.

Early in the year, the prime minister

emphasized the need for a major restructuring of the public service. Sixty percent of the national budget goes toward paying salaries, but as the prime minister correctly observed, "a lot of the job descriptions are duplications of the same jobs" (ss, 2 Jan 1991). The basic aims of restructuring the public service are to have a slimmer, fitter public service, and to distribute technical people, such as planners, to parts of the country where they are most needed. By November, two hundred of the six hundred public servants had received letters of dismissal from the public service (ss, 29 Nov 1991).

Keen to keep government expenditure under control, Abe formed a committee, known as the Junta, to screen government expenditures (ss, 29 Jan 1991). All accounting officers were required to lodge their 1991 expenditure plans with the Junta.

With regard to development projects, the government continued its policy of restructuring by privatization, or opted for joint ventures if privatization was impossible. Since 1992 was to be declared the year of tourism, the government wished to achieve as much as possible in that area also. The Japanese government and the European Community showed interest in extending Henderson Airport terminal, improving the runway, and upgrading the navigation lights. All this would cost around \$53.9 million (ss, 30 Aug 1991). Early in March, Solomon Island Airways (SOLAIR) opened a new route to Cairns, which General Manager Robert Leong declared "the gateway to Australia and the Pacific for us" (ss, 8 Mar 1991).

The dispute over the reopening of

the Anuha resort became an intractable problem for both the government and landowners. Early in the year, Australian investor Mike Gore dismissed allegations that Anuha was for sale.

Despite these assurances nothing happened, and in mid-year Minister for Tourism and Aviation Victor Ngele expressed doubts about Gore's seriousness. In August the minister issued an ultimatum saying "if he does not reply by 12 August, we shall consider other means of how we could solve the Anuha issue" (ss, 2 Aug 1991). In early November the Anuha landowners decided to take legal action to recover the \$800,000 owed them (ss, 1 Nov 1991).

In April, the Solomon Islands Public Employees Union, which was claiming a 16.5 percent salary increase, went on strike after Secretary to the Prime Minister Leonard Maenu told the executive that the government no longer recognized the union. This provoked the strike, which lasted until June when the government finally agreed to pay the increase and back-date it to January. This cost the government an extra \$5.6 million (SN, 7 June 1991).

In July, the Solomon Islands National Teachers' Association went on strike, claiming a 16 percent pay increase, salaries to be paid on a fortnightly basis, and future increases to be pegged to increases for public employees. They also sought the removal of the three officials from the prime minister's office who allegedly mishandled the public employees' strike (ss, 12 July 1991).

Human resources development continued to assume great importance because Solomon Islands still has the

lowest level of education in the region (Crocombe 1988, 126). The government's aggressive approach to the issue was underscored by the minister of Finance in his budget speech when he said "The provision of manpower is essential if the Solomon Island's economy is to develop. . . . the government is making a major investment in education. Funds are provided to construct Adaua Secondary school, upgrade the research training facilities at SICHE, rehabilitate Choiseul Bay secondary school to form V level and to provide a variety of overseas scholarships" (SN, 26 Mar 1991).

The emphasis on human resources development became especially clear and urgent when the University of Papua New Guinea's Waigani campus was closed after a student strike and Solomon Island students were forced to return home (ss, 26 July 1991). In June, the council of the Solomon Islands College of Higher Education expressed the aim to have the college converted to university status in the future. This was in line with the government's Programme of Action.

On the international scene, the government became quite extensively involved in the Bougainville secession issue. Early in the year Papua New Guinea's Minister for Decentralization Father John Momis made a surprise visit to Honiara. This was supposed to be a private visit to Prime Minister Mamaloni, but soon afterward Papua New Guinea officials and representatives of the Bougainville Revolutionary Army met to produce the Honiara Accord.

Matters got complicated when Solomon Islander and Australian Associ-

ated Press reporter Alfred Sasako was banned from entering Papua New Guinea after he traveled to Bougainville to interview secessionist leader Francis Ona (ss, 1 Mar 1991). Then in May, former Prime Minister Ezekiel Alebua, leaders in Western Province, and some Solomon Islanders with relatives in Bougainville sent messages of congratulations to mark the first anniversary of the Republic of Bougainville's unilateral declaration of independence (ss, 17 May 1991). Friction was reported in December between the governments of Solomon Islands and Papua New Guinea over Papua New Guinea's request that two Bougainvileans in Honiara be deported to Port Moresby (ss, 6 Dec 1991).

There were major changes in the provinces. Choiseul achieved autonomy from the Western Province on 12 September. Speaking during the ceremony to mark the birth of the new province, Alfred Maetia emphasized that "the achievement of this political milestone for Choiseul is owed to the determination of the leaders and the people of Choiseul. . . . it must be borne in mind that the determination has come to fruition only through the democratic principles embedded in our constitution" (SN, 8 Nov 1991).

Fundamental constitutional changes were achieved on 2 August. The chair of the Special Select Committee for the Patriation of the Constitution, Francis Saemala, presented the committee's report to the prime minister. It recommended that the constitution, which is a schedule to the 1978 Independence Order (an act of the British Parliament), be established as a separate instrument, the creation of parliamen-

tary standing committees, the rotation of the governor-general among the provinces, improving parliamentary standing orders, and identifying areas of the constitution needing immediate amendments (SN, 20 July 1991).

Leadership, especially political leadership, continued to be an issue. Sir Peter Kenilorea left politics after fifteen years of service to become director of the Forum Fisheries Agency. On 17 October, Andrew Nori resigned as leader of the opposition because he lacked the necessary support. He was succeeded by Josés Tuhānuku (SN, 8 Nov 1991). Reputations of a number of leaders were under scrutiny. The Leadership Code Commission finally cleared the names of Alex Barlett, Colombus Abe, and the prime minister over the 1990 S1\$250 million loan proposal, ruling that their action did not contravene section 94(1)(b)(c)(d) of the constitution.

Among the political parties, the Peoples' Alliance Party appeared active and organized. Early in the year, Acting General Secretary David Kausimae called for party members who were ministers in the Mamaloni government to show their real allegiance to the party (SS, 15 Feb 1991). During the annual general meeting in November, new officers were elected and issued an ultimatum to the ministers to make the choice to resign from the Government of National Unity or face being sacked by the party (SS, 15 Nov 1991).

Overall, 1991 proved quite eventful. For the Mamaloni government, more determination and decisiveness are needed to implement the party's policies in the remainder of its parliamentary term. Even for a "founding father"

of the country, this could be a herculean undertaking.

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VANUATU

For Vanuatu, 1991 was the year of the three prime ministers. In August–September Father Walter Lini was finally replaced as Vanua'aku Pati (VP) leader and prime minister by Donald Kalpokas. And in the national elections in December, the VP—which had ruled Vanuatu since independence in 1980—lost office to a coalition led by Maxim Carlot and dominated by his (francophone) Union of Moderate Parties (UMP).

Dissatisfaction with Lini's leadership had mounted in February when he sacked Finance Minister Sela Molisa, apparently over "personality differences" (PR, 14 Feb 1991, 1). The dismissal followed a major Cabinet reshuffle in November 1990, in which Lini had assumed several key portfolios. The previous October, Lini had sacked Grace Molisa, a senior political adviser and the wife of Sela Molisa. She had been Lini's private secretary for several years, but they fell out when

she denounced his expulsion of five expatriate businessmen (*PR*, 31 Oct 1991, 3). Deportation orders ("green letters") have been controversial in Vanuatu, because at times they have been used to remove business rivals and settle political and personal scores, especially against French expatriates (see *PIM*, July 1991, 20–21).

Lini's critics claimed he had become dependent on two advisers—a local Vietnamese businessman, Dinh van Tanh, and a wealthy American, Jack Scantlin—while losing touch with former VP associates (*IBP*, Oct 1991, 21–22; *PIM*, July 1991, 18, 21). Despite leadership tensions, VP officials drew comfort from the partial local elections held in late January, in which the VP performed reasonably well (*PR*, 14 Feb 1991, 3; *VW*, 2 Feb 1991, 1, 11).

In late March the new terminal, funded by Japan, was opened at Bauerfield, the international airport. This followed the extension of the runway, funded by Australia, completed earlier in the year. At the opening ceremony, Lini thanked these two countries and also the United Kingdom, the European Economic Community, and New Zealand for their contributions toward the improvement of Vanuatu's tourism and air transport facilities (*VW*, 28 Mar 1991, 1, 11).

Criticism of Lini increased further in mid-April after he sacked three senior public servants. In an attempt to resolve the leadership question, the VP brought its annual congress, planned for June, forward to late April. After heated discussions at the congress, Lini's supporters managed to defer the vote on the membership of the national executive (*PR*, 2 May 1991, 1).

Lini's troubles worsened in May. He had a mild heart attack, compounding the poor health he has experienced since suffering a stroke in early 1987. He could not fulfill the heavy workload he had assumed. In many areas government and administration ground to a halt (*PR*, 16 May 1991, 2). In late 1990, Lini had expressed willingness to stand down at some future date, but now he refused to give up power, and in June and July sacked four more ministers as well as several public servants. In late July, leaders of the Presbyterian church denounced his arbitrary actions and the "increased nepotism" in his administration (*PR*, 25 July 1991, 1). Lini's position had become untenable: the Presbyterian church is adhered to by some 40 percent of the population and traditionally has formed the VP's support base, along with the Anglican church, in which Lini is a priest (see Henningham 1989, 173).

The crunch came at a special VP congress held on 7 August. The meeting, which Lini and his supporters boycotted, chose Donald Kalpokas to replace Lini as party president. Under the VP constitution the party president also serves as prime minister when the party is in power, so Kalpokas was set to become prime minister, bringing Lini's eleven-year term to an end. But Lini defied the congress decision, clinging to power until ousted in a parliamentary vote of no-confidence on 6 September. Before leaving office Lini announced, on 17 August, the release of Jimmy Stephens, imprisoned in 1980 for leading the abortive secession attempt on Espiritu Santo. Stephens, now seventy-six, in poor health, and nearing the end of his sentence, had

agreed to engage in a ceremony of customary reconciliation with Lini following his release (VW, 24 Aug 1991, 1, 6–7; IBP, Oct 1991, 24).

The new prime minister announced that national elections would be held soon and said that his administration would restore business confidence (PR, 19 Sept 1991, 2). In October, he reinstated Grace Molisa as private secretary to the prime minister. Meanwhile investigations into the conduct of Lini began.

Kalpokas' term as prime minister was brief: his government lost power at the elections on 2 December. The polls went ahead peacefully, with only minor irregularities. The UMP won 30.6 percent of the vote and 19 seats. Next came the VP, with 22.6 percent of the vote and 10 seats, and Lini's newly formed National United Party (NUP), with 20.4 percent and 10 seats. Barak Sope's Melanesian Progressive Party (MPP), formed after the Lini-Sope split in 1988, won 15.4 percent of the vote and 4 seats, with most of the remaining votes and 1 seat each going to the Tan Union, Nagriamel, and Fren Melanesia (Van Trease, 1991, 11–12; VW, 14 Dec 1991, 10–15).

The UMP had performed less convincingly than in the 1987 elections, when it gained 39.9 percent of the vote, and only slightly better than in 1983, when its share was 28.6 percent. In 1991 the main difference was that the former VP had split into three parties. Indeed at 58.4 percent, the combined percentage performance in 1991 of the VP, the NUP, and the MPP was almost as high as the 60.5 percent attained by the former VP in 1979 and higher than its scores of 55 percent in 1983 and 47.3

percent in 1987. Regional differences were apparent in the voting patterns. The VP won most of its seats in the central and southern islands, whereas the NUP won most of its seats in the northern islands.

The UMP first sought to establish a governing coalition with the MPP and then with the VP. But both parties asked too high a price. So the UMP fashioned a coalition with Lini's NUP and with the small Fren Melanesia party to obtain a 30-seat majority. On 16 December, at the first sitting of the new parliament, Maxim Carlot, the UMP's secretary general, became the new prime minister. While conceding that the deal with Lini's party had caused dissension within the UMP, Carlot argued that the coalition arrangement would permit stable government (Age, 26 Dec 1991, 13). Carlot named an eleven-member cabinet comprising himself and six other UMP members and four NUP members. The NUP members included Hilda Lini, a prominent journalist and politician and a sister of Walter Lini, who thus became Vanuatu's first woman minister. Lini himself remained on the back bench, though it was rumored that in due course he would succeed Fred Timakata as president of Vanuatu.

In an address to the nation, Prime Minister Carlot said his government would reestablish political stability, reconcile differences, encourage investment, and promote economic development (VW, 21 Dec 1991, 7–8, 11). He promised to promote bilingualism, ending the disadvantages of Francophones under VP rule. He also denounced nepotism and business favoritism. He and his supporters indi-

cated that inquiries into alleged maladministration and corruption by the Lini government and its associates may be pursued. Although keen to strengthen connections with France, Carlot said he wanted Vanuatu to maintain close links with Australia, New Zealand, the United Kingdom, and the Pacific Island countries.

Carlot's government faces big challenges. He and his ministers lack experience. The UMP-NUP alliance is fragile: the UMP is a loose, factionalized coalition, and there are both bad blood and policy divergences—notably over foreign policy and land issues—between it and the NUP. The political uncertainties of 1991 worsened economic and developmental problems. The new administration will need to contain anglophone-francophone and regional rivalries and to provide stable and effective government if Vanuatu is to fulfill its potential.

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