POLITICAL REVIEWS

alties involved, the fundamental question of a clear definition of the respective roles of the political and traditional (chiefly) authorities has yet to be answered in New Caledonia.

The slowing down of economic activity, evident over the past two years, persisted during 1992. The nickel industry, which produces the main export commodity, was in crisis following a sharp drop in world ore prices. Negotiations between New Caledonian exporters and Japanese buyers were suspended in September. Although the tourism sector has felt the effects of the global recession, it still appears to be a potential force for development in the territory. Two new tourist resorts opened this year in the North Province, the Malabou complex and the Hienghene Club Méditerranée. The luxury cruise ship Club Med II began service based in New Caledonia on 15 December, and it was decided to begin construction of a new five-star hotel in Noumea. The North Province, through an affiliate of its own South Pacific Mining Company (bought by the province from Jacques Lafleur in 1990), acquired a majority share in a holding company that owns two large hotels in Noumea and the Casino Royal gambling establishment.

The process of expanding New Caledonia's relations with the Pacific region proceeded throughout the year. A streamlining of customs procedures, decided early in the year, should facilitate the territory's economic participation in the region. At the same time, the provinces began to make use of their new-found authority and started forging their own regional ties, particularly with Vanuatu and Fiji. In August, Secretary-General Ieremia Tabai of the Forum Secretariat came on an official visit, the first Forum official to do so. The South Pacific Commission finally decided to keep its headquarters in Noumea, although this had to be decided by a vote, rather than by consensus as had been the Commission's tradition in the past.

FRANÇOIS SODTER

Papua New Guinea

The newly elected government of Paias Wingti in 1992 embraced a package of economic and administrative reforms more radical than any since independence in 1975. According to Deputy Prime Minister and Minister for Finance Sir Julius Chan, the economic initiatives were designed to "revolutionize the whole economic structure" (Callick 1992a, 8). In addition, long-neglected rural communities were to be "empowered" by the Village Services Programme, described by Minister for Village Services John Nilkare as "the most fundamental policy shift in our national history" (TPNG, 13 Aug 1992, 32-33). Furthermore, Wingti promised to disempower the country's nineteen provincial governments, whose "whole dream and purpose [had] gone wrong" (TPNG, 8 Oct 1992, 32-33). Meanwhile, the secessionist crisis in Bougainville spilled over into neighboring Solomon Islands, severely straining Papua New Guinea's relations with that country.

Polling for the fourth national parliamentary elections since independence took place from 13 to 27 June 1992 without any major disruptions. The new 1000 kina nomination fee
failed to deter a record 1654 people from contesting the 109 seats, some 139 more than stood in the 1987 elections (TPNG, 7 May 1992, 4; Turner and Hegarty 1987, 4). As a result, 47 members of the new parliament won their first-past-the-post competitions with less than 20 percent of the vote, and 8 got in with less than 10 percent (TPNG, 16 July 1992, 2). Campaigning was variously described as “oddly subdued” and “boring,” with political parties playing a lesser role than in previous elections (Callick 1992b, 20; Kolma 1992, 11). Fully one-third of the successful candidates listed no party affiliation.

In line with a well-established trend, about 57 percent of sitting members of parliament, including fifteen cabinet members, lost their seats. Prominent among the losers were Deputy Prime Minister Akoka Doi, Speaker Dennis Young, Minister for Education Utula Samana, and Minister for Health Karl Stack. None of the handful of women candidates was successful, making this the second all-male parliament in a row. Prime Minister Namaliu barely survived a strong challenge from veteran politician Oscar Tammur to win his Kokopo seat by fewer than four hundred votes. Papua New Guinea’s other former prime ministers—Chan, Wingti, and Sir Michael Somare—all retained their seats easily. Other successful candidates included Paul Tohian, an ex-police commissioner who had faced treason charges for a coup attempt in 1990; prominent academic John Waiko; and three members who had resigned from parliament earlier in the year to avoid conviction on charges of corruption.

Although no single party came close to commanding a majority in the new parliament, most observers agreed that Namaliu had a reasonable chance of retaining power (TPNG, 2 July 1992, 3). Members of the existing coalition of Pangu Pati, People’s Action Party, League for National Advancement, and National Party had agreed to stick together. Namaliu’s most powerful rival within the coalition, People’s Action Party leader and former Deputy Prime Minister Ted Diro, was out of the running after his 1991 conviction for misconduct in office. Foreign Minister Michael Somare had apparently decided not to pursue a pre-election leadership challenge that threatened to split the Pangu lobby.

However, forty-one-year-old Paias Wingti quickly demonstrated a mastery of the “numbers game” honed during his two previous stints as prime minister (1985–1987, 1987–1988). He received an early boost with the defection of six former Namaliu supporters, including the new leader of the League for National Advancement, John Nilkare, and three of his colleagues. Wingti sequestered his supporters on a remote island in Milne Bay, denying them virtually all contact with the outside world before delivering them to parliament for the vital vote on 17 July. This quarantine tactic was facilitated by a 1991 electoral law reform that reduced from twenty-one days to seven the interval between elections and the first sitting of parliament (Callick 1992c; TPNG, 16 July 1992, 1–2).

The new Wingti-led coalition of the People’s Democratic Movement, the People’s Progress Party, and the League for National Advancement, plus a few
smaller parties and a host of independents, managed to elect their candidate to the office of Speaker by one vote. In the subsequent vote for prime minister, Wingti defeated Namaliu 55–54, with the help of Speaker Bill Skate’s casting vote. However, the numbers on the government side soon swelled to more than 60. In a vivid demonstration of the fluid and pragmatic nature of coalition politics in Papua New Guinea, defectors explained their need to be aligned with the government in order to deliver benefits to their electorates (TPNG, 23 July 1992, 1, 3; 30 July 1992, 11).

The composition of the cabinet announced at the end of July reflected more pragmatic politics. Members of Wingti’s People’s Democratic Movement received 10 of the 27 available portfolios, including the all-important mining and petroleum position. Chan’s People’s Progress Party, which claimed the support of seventeen members of parliament by the end of the year, received only 5. But they included the powerful Ministry of Finance, and the difficult Defence portfolio, which went to controversial ex-Police Commissioner Paul Tohian. Another 9 positions went to independents, with the experienced John Kaputin becoming minister for foreign affairs, and former Chimbu provincial premier David Mai taking on the newly important Department of Trade and Industry. Of the four League of National Advancement defectors, 3 were rewarded with cabinet positions, most notably John Nilkare who became the new minister for provincial affairs and village development. Meanwhile, Michael Somare became leader of the opposition after the defeated Rabbie Namaliu, whose wife was seriously ill, resigned from parliament (TPNG, 30 July 1992, 2,4; PR, 20 Aug 1992, 2).

In his first six months in office, Wingti fulfilled several specific election promises. He abolished primary school fees and began to phase out charges for secondary education. He scrapped the ambitious National Service Corps scheme, brainchild of defeated member for West Sepik Province, Karl Stack. Less likely to produce lasting results were his moves to counter corruption in high places.

Wingti had no difficulty making corruption a central election issue (Hiambohn 1992, 11–12). He has a long record of exposing corrupt practices, and launched the forestry industry inquiry that led to the downfall of Ted Diro in 1991. Diro was one of nine leaders charged in recent years with violating the constitution’s leadership code, and these cases probably represent only the tip of the iceberg. In 1990, Chief Ombudsman Charles Maino indicated that his office was investigating 90 of the 109 members of parliament for abuses related to the Electorate Development Fund. This “slush fund” allowed each member to spend 100,000 kina annually on discretionary projects in his electorate (PCA 1991, 30).

The corruption cases heard in the first part of 1992 gave Wingti plenty of ammunition for his attacks on the government. In February, former Minister for Fisheries Allan Ebu was found guilty of nine offenses under the leadership code (TPNG, 13 Feb 1992, 2). Then on 27 March a leadership tribunal not only found Labour and Employment Minister Tony Ila guilty of forty-three
counts of misconduct in office, but implicated Prime Minister Namaliu and Finance Minister Paul Pora in the wrongdoing. Among other things, the tribunal found that payments of 49,000 kina to Ila in 1989, from a discretionary fund controlled by Namaliu and Pora, were made in response to Ila's threats to support a parliamentary motion of no confidence. The tribunal strongly recommended that Namaliu and Pora "be investigated and brought to justice" (Hogan 1992, 12–13; PR, 26 March 1992, 6).

The two leaders were implicated again in a later case involving four of their Pangu Pati colleagues. In June 1990 Timothy Bonga, Galeng Lang, Melchior Pep, and Peter Garong had agreed to resign their ministerial portfolios so that Namaliu could use the positions to bolster his flagging support among backbenchers. According to the Ombudsman Commission, which recommended that the four be charged with a total of sixty-four counts of misconduct, the ex-ministers subsequently demanded, and received, various sums of money from Namaliu and Pora—as compensation for loss of office and to keep them loyal in an upcoming vote of no confidence. In the event, the Ombudsman Commission's recommendations could not be acted on immediately. Following precedents established by Tony Ila and Tom Amaiu, another member of parliament who faced thirty-five counts of misconduct in 1992, the four leaders resigned from parliament to avoid penalty (TPNG, 7 May 1992, 1,3).

At the end of July, the Supreme Court confirmed that a leadership tribunal ceased to have jurisdiction when a leader resigned. However, the court also noted that if a leader were to regain public office, previous charges of misconduct could be pursued (TPNG, 6 Aug 1992, 3). Bonga was unsuccessful in his reelection bid, and Lang died in August, but charges against Pep and Garong were duly revived after they were returned to parliament (TPNG, 22 Oct 1992, 4, 15). Furthermore, fourteen charges of misappropriation of public funds were pending against Namaliu and Pora in the Boroko District Court at the end of the year (TPNG, 17 Dec 1992, 11).

In the first half of 1992, members of the opposition were also able to target several government projects involving dubious foreign transactions. One was the attempt spearheaded by Foreign Minister Somare to establish a state-owned oil and gas company with the help of Quest Petroleum, an obscure Singapore-based company (TPNG, 13 Feb 1992, 11; 27 Feb 1992, 20–21). Another was the Port Moresby–Portporena freeway project to be constructed by two Australian companies at a cost of 65 million kina. Critics charged that the freeway was an unnecessary luxury, the relevant government departments had been bypassed, the cost was excessive, and some officials stood to benefit personally (TPNG, 28 May 1992, 3; 3 Sept 1992, 1).

Once in office, Prime Minister Wingti abolished the controversial electorate "slush fund," established a commission to investigate the Portporena freeway deal, and promised to close "absurd" loopholes in the leadership code (TPNG, 3 Sept 1992, 1; PR, 20 Aug 1992, 2). Nevertheless, it will be difficult for Wingti to keep his govern-
ment free of corrupt practices. Although Wingti himself may be above reproach, some of his cabinet colleagues, including Roy Yaki, Paul Tohian, and John Jaminan, have had serious encounters with the law (TPNG, 30 July 1992, 2; Callick 1992c, 35). Furthermore, entrenched systems of patronage and pork-barrel politics will be difficult to dislodge. Critics quickly discovered some new sources of discretionary funds for members in the 1993 budget (TPNG, 19 Nov 1992, 71). The real test of Wingti's resolve will come in early 1994, when the opposition will have its first opportunity to mount a parliamentary vote of no confidence, and the "numbers game" begins again.

Wingti adopted a much more aggressive posture than did his predecessor in the booming mining and oil sector. His ambitious longer-term plans for capturing more of Papua New Guinea's natural resource wealth include an oil refinery, a copper smelter, a gold refinery, and a major liquefied natural gas industry. During his first six months in office he concentrated on reviewing "unequal or exploitative" resource agreements with foreign companies (TPNG, 22 Oct 1992, 9).

The principal target was Placer Pacific, the operator of the giant Porgera gold mine. Wingti accused the company of misleading the government regarding the value of the resource when the mining agreement was signed in 1989. His claim appeared credible, not least because his principal adviser on mining issues, Robert Needham, had earlier been managing director of Placer Pacific and heavily involved in the development of Porgera. Neverthe-
the January raid, but made no secret of their financial support, in partnership with Menzies Gold, for legal challenges to Conzinc Riotinto's mining rights. The national principals of Amadio, the local company pursuing the litigation, claimed that Conzinc Riotinto had duped local leaders into signing an unfavorable agreement, and that procedural irregularities rendered the mining lease invalid (Sharma 1992, 14; PR, 28 May 1992, 5; 16 Nov 1992, 5; Callick 1993). The latter charge was dismissed by the National Court in November (TPNG, 26 Nov 1992, 3).

Neither Prime Minister Wingti nor Mining and Petroleum Minister Masket Iangalio, an Engan, appeared to have any sympathy for Conzinc Riotinto's Mount Kare predicament. Both had publicly attacked the company in the aftermath of the January raid (TPNG, 23 Jan 1992, 4). As mining minister, Iangalio indicated in November that the company would be free to proceed if it defeated the court challenge, but just a few days later he stated that Ramsgate and Menzies Gold had the complete support of Mount Kare landowners (IBP, Dec 1992, 14). Critics were also quick to point out that one of Wingti's key advisers, Dennis Reinhardt, had business connections with Ramsgate, although Wingti denied that these ties had any significance.

Government-Conzinc Riotinto relations suffered a further setback late in the year when Wingti declared that the company's Bougainville copper mine, closed by militant landowners in 1989, would reopen in 1993, but not necessarily under company control. Officials of Conzinc Riotinto (and most other commentators) dismissed the idea of an early reopening as unrealistic, and described the cost estimate of Robert Needham (managing director of the Mineral Resources Development Corporation) that it could be done for less than 100 million kina as "wildly optimistic" (PR, 14 Dec 1992, 5). Bruised by developments in recent years, Conzinc Riotinto of Australia took steps during 1992 to prune its investments in Papua New Guinea, selling its shares in the Hidden Valley and Frieda River prospects, and transferring management of the Mount Kare mine to Placer Pacific (TPNG, 12 Nov 1992, 23; PR, 16 Nov 1992, 5).

Wingti's offensives against Conzinc Riotinto and Placer Pacific dented investor confidence enough to demonstrate the potential pitfalls of this approach. His promise to review resource agreements caused an immediate drop in the share values of mining companies with interests in Papua New Guinea. Moreover, the new mood made it more difficult for Kennecott to raise the capital for its Lihir gold project and delayed the government's own plans to refinance its 22.5 percent stake in the Kutubu oil project, which went into production in June (TPNG, 17 Dec 1992, 4). However, this is unlikely to be more than a temporary setback. Mining Minister Iangalio made it clear that what his government objected to was "being pushed or even bullied by Australians," and that it was "strongly committed to business" (PR, 16 Nov 1992, 4). Some other government initiatives lent strong support to this claim.

The new government faced the enormous challenge of developing eco-
nomic policies that would translate the proceeds of a transient resources boom into permanently improved living standards for most Papua New Guineans. The challenge is predicated not only on concern for the welfare of the masses, whose living standards have been declining in recent years. Many commentators also believe that the notorious law-and-order problem represents the first symptoms of the widespread social and political unrest that could develop should real improvements fail to eventuate. The real fear is that, if present trends continue, foreign investors will be deterred and the resources boom itself will be in jeopardy.

The general economic approach adopted by the Wingti government owed much to the World Bank’s ideas about “structural adjustment” to global market forces. The Namaliu government had already taken the first tentative steps along this road, particularly by establishing the Investment Promotion Authority to deregulate the private sector and stimulate its growth (TPNG, 11 June 1992, 26). However, in 1992 Wingti and Finance Minister Chan propelled the process of structural adjustment into high gear with a radical program of privatization and fiscal reform.

The first piece of legislation pushed through parliament in August created the Papua New Guinea Holdings Company as a vehicle to privatize state-owned enterprises. The company has virtually unlimited powers to decide which state enterprises will be sold, to identify buyers, and to raise and transfer funds. Board members are not subject to the leadership code and appear to be accountable only to the prime minister (Callick 1992c, 36). No privatization agenda had been announced by the end of the year, but Chan indicated that some of the state’s equity in major resource projects would be made available to the public. Plans were also under way to establish a stock exchange to encourage “productive investment” and prevent domestic funds being “squandered or . . . transferred abroad” (Callick 1992c, 37; PR, 3 Sept 1992, 1).

According to Chan, the new government was determined to sweep away “mosquito taxes” and make Papua New Guinea a “pest free” zone for business activity. Namaliu had already revived a scheme that gave pioneer industries a five-year tax holiday and other concessions. The 1993 budget exempted a range of fringe benefits from taxation and significantly reduced personal and corporate tax rates, making them among the lowest in the Asia-Pacific region. In another significant development, this one initiated by the independent 1992–93 Minimum Wages Board and warmly welcomed by the government, the starting urban minimum wage was slashed from 61.60 kina per week to 22.96 kina per week, bringing it into line with the rural rate.

Wingti even proposed to venture into the tricky area of land reform, telling parliament that “the lack of clear title and delineation of land has imposed insurmountable constraints on all forms of development. My Government commits itself to mobilize land” (PR, 20 Aug 1992, 1). Since more than 97 percent of land remains under traditional tenure, this is potentially the most radical reform of all. How-
ever, by year’s end there was no indication of how and when it might be implemented. It is too early to tell what results these extraordinary reforms will yield. It is not clear, for example, how many Papua New Guinean entrepreneurs and business people are in a position to benefit from the new investment climate. The vast majority of the population continues to depend primarily on subsistence production, and the pool of domestic savings to be mobilized is small. Previous share issues to nationals in potentially lucrative resource projects have been undersubscribed (Callick 1992c, 37). It seems inevitable that foreign enterprise will benefit the most and that the distribution of income and assets among nationals will become even more skewed in favor of a privileged few (TPNG, 13 Aug 1992, 1).

Even in terms of job creation, ostensibly the major purpose of the reform program, the prognosis is not encouraging. According to Minister for Trade and Industry David Mai, the goal is to increase the number of industrial and manufacturing jobs from the present 28,000 to at least 80,000 by the year 2000 (TPNG, 26 Nov 1992, 32–34). If this goal is met, it will only absorb a small fraction of the 50,000 or so young people who enter the work force every year. Furthermore, although the purpose of reducing the urban minimum wage is to create more employment opportunities, a wage of 22.96 kina per week is clearly insufficient by itself to support a single person, let alone a family, in an urban area (TPNG, 8 Oct 1992, 34).

By guaranteeing price support for Papua New Guinea’s flagging export crops for five years, the Wingti government demonstrated that it was not prepared to buy the complete World Bank structural adjustment package. Wingti noted that the agricultural sector “is the backbone of the economy from which most of our population gain their livelihood” and hoped that the boost in smallholder incomes would encourage people to see “that there is a sound future in agriculture production and in the villages” (TPNG, 29 Oct 1992, 30).

The Village Services Programme represented another major attempt of the Wingti government to make rural life more attractive. Its stated purpose was to encourage grassroots participation in the process of development through the provision of resources, training, and information. It would work through the 240 or so existing community or village governments, and have an annual budget of about half a million kina per community when fully operational (TPNG, 13 Aug 1992, 32–33).

The idea of the central government directly targeting village communities is not new. Many of the existing community governments had their origins in the colonial system of local government councils, whose official aims included coordinating resources at the local level and preparing people to govern themselves. In practice, however, most local government councils failed to empower local communities, serving instead as agents of the central administration (Conyers 1976, 7). The Wingti government scheme was still being developed at year’s end, with pilot pro-
grams planned for 1993, and it remains to be seen whether it can stimulate genuine bottom-up decision-making and local control.

Although few were prepared to publicly criticize Wingti’s idea of community empowerment, his October statement that “we cannot continue” with the existing quasi-federal system of provincial government set off a firestorm of protest. In a speech to the Port Moresby Chamber of Commerce he attacked the system as wasteful and inefficient and noted that nearly half of the nineteen provincial governments had been suspended for gross mismanagement and corruption at one time or another (TPNG, 8 Oct 1992, 32). Indeed, four more were suspended by cabinet a few weeks after Wingti’s speech (TPNG, 15 Oct 1992, 1).

The government initially considered implementing the recommendations of the 1990 Select Committee on Provincial Government Review, chaired by the late Henu Hesingut (TPNG, 22 Oct 1992, 1). In essence, this would strip provincial governments of most of their powers and privileges, replacing them with part-time assemblies consisting of uncompensated representatives of community governments. Each assembly would elect one full-time, salaried chairperson. Provincial governments could still make laws and raise and allocate funds, but under tight central government control (TPNG, 15 Oct 1992, 4). However, by November it was quite clear that the political cost of pushing through such reforms was going to be high. With the premiers of the powerful island provinces threatening to secede, Wingti bowed to the inevitable and formed a bipartisan committee to investigate the matter further (TPNG, 21 Jan 1993, 4).

Prime Minister Wingti came to power with no stated policy for solving the secessionist crisis in Bougainville, although Minister for Foreign Affairs John Kaputin indicated in July that the new government would adopt a “political approach” (TPNG, 23 July 1992, 3).

However, by November, with Defence Force troops camped at Tunuru, a few miles from the provincial capital and rebel stronghold of Arawa, Wingti was calling on leaders of the Bougainville Revolutionary Army (BRA) to surrender unconditionally. He promised to resolve the crisis by the end of 1993, using all of the military forces at his disposal if necessary (TPNG, 26 Nov 1992, 3; Keith-Reid 1992, 26).

Earlier in the year, attention was focused on the southern part of the island, where leaders had signed an agreement with the Port Moresby government to set up the South Bougainville Interim Authority. In May, troops landed at Siwai to consolidate this advance, and also at Torokina about half-way down the west coast (SMH, 21 May 1992). This left only central Bougainville entirely under BRA control. Nevertheless, periodic clashes between the army and rebel forces occurred throughout the island during the year, as well as reports of fighting between local pro- and anti-BRA factions. In March, the Bougainville Revolutionary Army captured nine leaders associated with the new interim authority in south Bougainville. Former Member of Parliament Anthony Anugu and two others were executed...
420 THE CONTEMPORARY PACIFIC · FALL 1993


Wingti may have regretted endorsing the military option in Bougainville when the “spillover” effects of the conflict caused a major crisis in Papua New Guinea’s relations with Solomon Islands late in the year. Tensions had been rising for some time as Papua New Guinea attempted to get Solomon Islands to take firmer action against BRA members and supporters operating in the Solomons. Then in March, Papua New Guinea Defence Force troops crossed the border and blew up a suspected BRA fuel depot near Kariki village on Fauro Island in the Shortland group (PR, 26 Mar 1992, 1). Responding to Solomon Islands’ subsequent protest, then Prime Minister Namaliu indicated that the raid was unauthorized and offered compensation. However, Solomon Islands Prime Minister Solomon Mamaloni refused to talk with Namaliu, cancelled a planned visit by Foreign Minister Somare, and declined to attend a scheduled meeting of the Melanesian Spearhead Group in Papua New Guinea (PR, 23 April 1992, 1).

At Mamaloni’s insistence, no further high level discussions between the two countries were held until shortly after Wingti assumed power, when the two prime ministers met at the rescheduled Melanesian Spearhead Group meeting in Vanuatu. In September, just as relations began to improve, soldiers of the Papua New Guinea Defence Force mounted another unauthorized cross-border raid. During the foray into Komaliae village in the Shortland Islands, the troops killed a man and his sister, wounded her child, and took another Solomon Islands citizen to Buka for questioning (Waqa 1992).

Mamaloni issued a strongly worded protest note about the “barbaric” incident, and threatened to sever diplomatic ties with Papua New Guinea. Although Wingti acted swiftly to repair the damage, agreeing to discipline the troops involved and accepting all liability, Mamaloni continued to press for a United Nations Security Council investigation (PR, 1 Oct 1992, 1).

In late November it was Wingti’s turn to protest about a letter Mamaloni wrote to Manus Premier Stephen Pokawin. In it he discussed the Port Moresby government’s handling of the Bougainville situation in derogatory terms, and agreed to host a meeting of provincial premiers disgruntled with Wingti’s plans to rescind their powers (IBP, Dec 1992, 11).

At year’s end, officials were discussing a comprehensive agreement that would guide future relations between the two countries (TPNG 21 Jan 1993, 2). Papua New Guinea has a similar agreement with Indonesia, which was also negotiated in the context of spillover problems associated with a secessionist struggle. Indeed, those problems continued in 1992, with an influx of five hundred refugees from Irian Jaya in January and a mid-year border incursion by Indonesian troops in pursuit of guerrilla fighters from Organisasi Papua Merdeka (TPNG, 30 Jan 1992, 8; 4 June 1992, 5). Nevertheless, relations between these two neighbors have improved considerably in recent years. In January 1992, a Status of
POLITICAL REVIEWS

Forces Agreement was signed that will allow Indonesian and Papua New Guinean soldiers to cooperate on public works projects in Papua New Guinea (TPNG, 6 Feb 1992, 3).

TERENCE WESLEY-SMITH

References


SOLOMON ISLANDS

Prime Minister Solomon Mamaloni of Solomon Islands was voted one of the six personalities of the year by Islands Business Pacific, a regional monthly magazine. He had always kept a few steps ahead of his political rivals, despite growing concern about the unstable financial affairs of his government and the deterioration of relations with Papua New Guinea over the Bougainville crisis (IBP, Dec 1992). Not only was the prime minister’s ability recognized, but these two issues dominated the politics, economic, and international relations of Solomon Islands during the year.

Minister of Finance Christopher Columbus Abe, in his 1992 budget speech, reiterated the government’s commitment to reducing deficit spending, diversifying activities in the private sector, and improving the country’s balance of payments performance (SN,