the effects of the 1992 typhoon season, and the downturn in the Japanese economy slowed visitor arrival growth. However, June 1993 visitor arrivals were substantially up, and a “visa waiver” program for visitors from Taiwan was imminent. This was good news for the visitor industry, which has added five hundred rooms in the past year. In order to adjust government expenditures to the lower projected revenues, the government implemented an 8 percent across-the-board budget cut in June.

As the island readies for the 1993 typhoon season, meteorologists are suggesting that this year's phenomena may be as intense as last year's. With gubernatorial elections scheduled for late 1994, the political storms are assured to be even stronger.

LELAND BETTIS

KIRIBATI

The period under review marked the second anniversary of Beretitenti Teannaki's ascendancy to political leadership. Notwithstanding the prevalence of unusually wet and cool weather, the political and economic environment caused considerable turbulence for the government. It lost its majority in Parliament with the defection of four backbenchers to form a new political party, Te Mauri, Te Rangi ao Te Tabomoa 'Good Health, Peace, and Prosperity'. Their departure was compensated by the addition of the twin seats of Banaba and Rabi to the government side. After years of benign neglect by the Kiribati government, the Banabans were hopeful that there would be a more sympathetic approach to their problems if they joined the ruling party. By the end of the review period, the government and opposition were evenly poised at twenty members each. The resignation of a former government minister, the Member for Arorae, necessitated a by-election in the southernmost constituency, resulting in a rather surprising victory for Tanieru Awerika ahead of the popular female candidate, Teima Onorio. Both the government and the opposition tried hard to win his party allegiance to ensure their single majority for the August 1993 meeting of Parliament. The drastic drop in the copra price, the mainstay of low-income earners in the outer islands, and the ever-increasing cost of living did not help alleviate President Teannaki's political predicament.

The 1993 Budget session was notable for the A$1 million contribution to the country's National Reserve Fund, made possible by the windfall payment of fishing license fees from the United States; the imposition of extra custom tariffs on selected luxury items, including an increase of one cent per liter on gasoline products; and the proposed assessment of custom tariffs on the CIF value of goods instead of the current FOB valuation. The last issue was the "hot potato," and it almost catapulted the government out of power.

The May 1993 session saw a political deadlock as each side had twenty members. The government's Seventh National Development Plan was withdrawn since it could not receive legislative blessing and endorsement. It was a severe blow for the government as it implied a clear loss of confidence by
the majority of members of Parliament. The important Income Tax Amendment Bill, moved by the government to rectify loopholes in the existing income tax legislation and strengthen its hand in a series of legal tax cases, was defeated.

In a secret ballot, Roniti Teiwaki was appointed leader of Te Maneaba party, the biggest opposition party.

A conference of unimane ‘elders’, council presidents, and clerks, was convened by the government on the island of Abaiang in early June. It was an opportunity for government and outer-island participants to confer and discuss matters of national and local importance. The conference was funded jointly by the Kiribati and British governments on the rationale that it provided local government training and education. There was resentment regarding the Abaiang venue, because it is the home island of the incumbent Teannaki and it was seen as an attempt to shower benefits on his constituency. The participants had to pay half of their per diem (A$27.50) to the Abaiang Council for services provided. Previously, the biennial conference was held on South Tarawa, and participants were able to save their subsistence allowances by staying with friends and relatives in the capital. The next Mororo will be held on the island of Nikunau in southern Kiribati in 1995.

The drop in world market price forced the Copra Society to reduce its copra price from 35 cents per kilo to 29 cents, a most unwelcome decision to the rural population. The copra price has always been subsidized by the Copra Society using its reserve fund and government contributions from the European Community’s Stabex Fund. Government’s policy has been to guarantee a copra price of at least 22 cents per kilo, regardless of world market price. The general opinion was that government should support the Copra Society to maintain a reasonable copra price of 35 cents per kilo. With the majority of the population dependent on copra income, it is no wonder people were crying about their abysmally low incomes and the escalating cost of living.

The Revenue Equalization Reserve Fund is estimated to contain over A$200 million. The government’s annual drawdown since 1979 has been a conservative A$7.5 million, despite inflation and the increase in population. The fund’s estimated annual income is slightly over A$20 million, of which A$12.5 million is reinvested. Although it has been splendidly handled by reputable United Kingdom stockbroker James Capel Limited, there was growing concern regarding the Reserve Fund’s role in the economic development of the country, and improvements in the general standard of living. There was a general feeling that these funds should be used to help increase the dwindling per capita income of I-Kiribati, which has plummeted from A$600 per year to less than A$400 since independence.

The 1992–93 period has been pleasantly cool with plenty of tuna and copra, but poor prices and the rising costs of living turned out to be the hot issues for a rather lukewarm government.

RONITI TEIWAKI