of Pacific Islanders into the United States take on even greater theoretical and practical significance.

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In 1985 Bertram and Watters published an important article that characterized the economies of certain Pacific micro-states (notably, New Zealand's dependencies) in terms of the MIRAB model: Migration, Remittances, Aid, and Bureaucracy. In this book, Bernard Poirine, an economist teaching at the newly inaugurated Tahiti campus of the French University of the Pacific, retools the MIRAB model into the ARABE modes to characterize the nuclear-affluent economy of French Polynesia: Aide, Rente Atomique, and Bureaucratie Envahissante. The key change is the substitution of Rente Atomique 'Atomic Rent' for migration and remittances in the original model. Since the installation of the French nuclear-testing program in the mid-1960s, the economy of French Polynesia has been, says Poirine, an économie de rente, such as springs up everywhere there is an influx of wealth in large part independent of local added value. Examples include the Arab oil states, phosphate-rich Nauru, and such Pacific territories as those of Micronesia and French Polynesia which are dependent on massive military expenditures and associated civil subsidies.

In addition to the direct expenditures for testing, infrastructure, and military and civilian personnel, the atomic rent transferred from metropolitan France to French Polynesia has included a wide range of grants and subsidies to keep the territory solvent and (especially once the construction of testing infrastructure was completed) the people employed. In 1991, all this added up to just over US$1 billion, a considerable sum for a territory with only some two hundred thousand inhabitants whose per capita income, consequently, surpasses that of New Zealand and rivals that of the metropolitan state. In effect, the French have been renting the territory, paying dearly for the privilege of testing their lethal bombs at Moruroa and Fangataufa atolls in the Tuamotu Archipelago. The accompanying "prosperity" has transformed French Polynesia, making it virtually postindustrial in terms of consumption, but third world in terms of production in that the wealth transfers, the accompanying high wage rates, and other distortions have devastated the production of food crops as well as the old export mainstays of copra and vanilla.

With the end of the cold war, however, the atomic boom has gone bust. Testing was temporarily suspended in April 1992, and there is much talk that—especially if the United States and Russia agree to cease testing permanently—France will definitively end its testing program. However much those French Polynesians who have opposed
testing on health and moral grounds have welcomed this temporary suspen­

sion and the prospects of its perma­
nence, these developments have
already caused alarming economic
dislocations in the territory and some
panic among established political lead­
ners. For example, French Polynesia's
President Gaston Flosse has declared
that France betrayed its atomic bargain
with the territory and has called for a
resumption of testing or a repackaging
of metropolitan aid to maintain pros­
perity in the islands.

On the assumption that testing will
not be resumed (or at least will soon be
phased out), Poirine considers four
options for restructuring French
Polynesia's economy for the postnu­
clear age: "Vanuatu-style Indepen­
dence" with an emphasis on self-suffi­
ciency; "Departmentalization" and
complete integration with metropoli­
tan France; "Independence-Associa­
tion" between French Polynesia and
France such as between the Cook
Islands and New Zealand; and the
"Hawaiian Way," in which the atomic
rent is replaced by the export of ser­
vices (notably tourism) and selected
products (black pearls and phosphate
from Mataiva Atoll are his examples).

Poirine rejects independent self-suffi­
ciency on the basis that it would be too
great a shock for the affluent Polyne­
sians. Making the territory into a
French Department, or an independent
state in association with France,
would, he declares, only result in turn­
ing an affluent ARABE economy into a
struggling MIRAB one, with high unem­
ployment, out-migration, and remit­
tances. This leaves the "Hawaiian
Way" as the best model, although

Poirine realizes that French Polynesia
cannot and should not become a center
of mass tourism on the same scale as
Hawai'i.

The barrier to French Polynesia
building a viable economy based on the
export of products and services is,
according to Poirine, what the econo­
mists call the Dutch disease. Just as a
large income flow from North Sea gas
production has distorted the Dutch
economy, so the atomic rent has dis­
couraged private-sector development
in French Polynesia because of the high
wages (the minimum wage there is
higher than in the United States) and
other costs of production, the flow of
the best talent to the bloated and over­
paid bureaucracy (with cost-of-living
allowances, leaves to France, and lack
of income tax that make their real
wages twice those of their metropolitan
counterparts), the discouragement of
initiatives because of the easy money,
and a grossly overvalued currency. But
he admits that the removal of these
distortions will not be easy. How, for
example, will well-paid French Polyne­
sians accept an income tax so that reli­
ance on hideously high and hence
regressive import duties can be reduced
to lower costs of production? Similarly,
how will government workers accept
dismissal or a cut in wages needed to
reduce the public payroll? Further­
more, one can add that among many of
the French Polynesians there is a grow­
ing resistance based on ecological and
cultural considerations to more tour­
ism development, as well as to plans to
mine the lagoon of Mataiva to get at
the phosphate there.

Although one could elaborate on
such barriers to implementing policies
designed to transform the economy, by focusing on how the nuclear-testing program has transformed the economy of French Polynesia and how hard choices must be made if the territory (or an independent successor state?) is ever to have a viable economy independent of massive transfers from France, Poirine has made a real contribution. Some readers may wish that he had disaggregated income figures by ethnic group and social class (ie, Metropolitans, Chinese, “Demis,” and indigenous Polynesians), had paid more attention to Polynesian cultural values, and had discussed the corruption allegedly rampant in the territory. By concentrating, however, on the structure of French Polynesia’s economic dilemma, Poirine has provided a much-needed analysis. That he chose to publish these results of his 1991 doctoral dissertation in this fairly readable form, rather than as a technical monograph, and that he cofounded a monthly economic and political magazine now published in Tahiti, indicates that Poirine is interested in influencing policy in French Polynesia. Furthermore, his position at the new French University of the Pacific would seem to put him into the position to sensitize Polynesian students to the economic realities of their island world. It remains to be seen, however, what role his economic realism will play in shaping the postnuclear economy of this affluent but currently troubled part of the Pacific.

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In December 1986, the government of Nauru established a Commission of Inquiry to establish responsibility for the rehabilitation of worked-out mining lands on the island, and the cost and feasibility of any proposed rehabilitation. The issue had lain dormant since Nauru’s independence in 1968. At that time the so-called partner governments—Australia, New Zealand, and the United Kingdom—which had been joint owners of the British Phosphate Commission and, under a United Nations trusteeship agreement, responsible for the administration of Nauru, maintained that all outstanding issues between the parties had been resolved by the agreements that had seen the Nauruans win control of the phosphate industry and secure independence. Hammer DeRoburt, Nauru’s founding president, disagreed, declaring that his people had not been a willing party to the mining arrangements and would continue to seek compensation for the rehabilitation of worked-out mining lands. The Commission of Inquiry had been established in response to the final dissolution of the British Phosphate Commission and the distribution to the partner governments of the very substantial surpluses it had accumulated. Weeramantry, then Sir Hayden Starke Professor of Law at Monash University in Melbourne, chaired the inquiry; this book represents that portion of the