the prospects for 1990. The government's success or otherwise in salvaging the economy will be the top story of 1990 (STT, 168, 1).

ESAU TUZA

Additional information for this review was supplied by Peter Larmour and Murray Chapman.

ABBREVIATIONS
IB Islands Business
PIM Pacific Islands Monthly
PR Pacific Report
SS Solomon Star
STT Solomon Tok Tok

VANUATU
The year began with the ousting of President Sokomanu from office following a parliamentary vote accusing him of gross misconduct. He was tried and jailed along with the five members of the opposition who took part in his interim government. The six men appealed the decision before the supreme court and were acquitted in April 1989.

Various elections were held during the year. The opposition, a coalition of the Union des Partis Modérés and the Melanesian Progressive Party, won the Port Vila municipal contest in February. The position of mayor, currently occupied by Alick Noel, will remain under their control for the next four years. In the regional elections of August 1989, victory was shared about equally between the governing Vanua'aku Pati and the opposition, with the latter showing substantial progress since 1985. The low voter turnout (averaging 60 percent) and the ambiguity of the results made the outcome of the 1991 legislative elections difficult to predict.

Throughout the year, Prime Minister Walter Lini and the Vanua'aku Pati attempted to consolidate their hold on the republic. President Sokomanu was replaced by Fred Timakata, a high chief and member of parliament for Emae Island in the Shepherds group. Timakata, an ex-Presbyterian church minister and ex-minister for health, was the official Vanua'aku Pati candidate and won the election by 41 votes to 1. In contrast to Sokomanu, Timakata repeatedly emphasized the nonpolitical and ceremonial nature of the presidency and pledged to promote the unity of the nation.

Walter Lini and the Vanua'aku Pati might appear to have emerged stronger than ever from the political events of 1989. However, the young republic is undergoing a deep underlying social transformation which may modify its political makeup profoundly. The long-standing and pernicious rivalry between the so-called francophone and anglophone factions, which has resulted in violent confrontation at times, is on its way out. Events in 1989 served to dispel this legacy of the Anglo-French condominium government, making it appear more and more artificial. During the crisis of 1988–1989, Walter Lini gained the support of various francophones, particularly certain young intellectuals home from their studies in France. Conversely, the traditional opposition, the Union des Partis Modérés led by Maxime Carlot, has been reinforced by the creation of Barak Sope's Melanesian Progressive
Party. New alliances are replacing old ones and are increasingly determined by local political issues rather than by external issues, such as relations with the ex-colonial powers. Vanuatu appears to be slowly shedding its inherited neocolonial personality and beginning to define its own political identity.

In this vein, differences over relations with France, including the New Caledonian issue, have ceased to be the main divisive factor in ni-Vanuatu politics. The neutrality observed by French officials during the recent crisis, and the improvement of the political situation in New Caledonia, have undoubtedly prompted this development. Relations with France are becoming a more rational foreign policy issue, rather than a focus of passionate internal division. This is the case despite a major crisis that erupted between the two countries immediately after Jean-Marie Tjibaou’s assassination in May 1989. Radio Vanuatu, which misinterpreted Radio Australia report of the event, accused France of instigating the Kanak leader’s murder. This statement, echoed by Hilda Lini, the prime minister’s sister, was not reversed until much later.

Minister for Foreign Affairs Donald Kalpokas and Marie Lini, Walter Lini’s wife, met with French Prime Minister Michel Rocard while attending Jean-Marie Tjibaou’s funeral in Noumea. The ensuing frank dialogue prevented a complete break in relations between the two countries. Following the ni-Vanuatu delegation’s return to Port Vila, Radio Vanuatu issued a statement concerning the true circumstances of the assassination. Walter Lini’s government later officially backed the Matignon Accord and called for normalization of relations between the two countries. In exchange, France agreed to send a chargé d’affaires to Port Vila. Donald Kalpokas and Secretary for Foreign Affairs Nike Nike Vurobaravu’s official visit to Paris in November 1989, at Michel Rocard’s invitation, signaled the onset of more relaxed relations.

The happy resolution of this major diplomatic incident helped alleviate political instability within Vanuatu. But the young island state continues to be plagued by political problems. It suffers from a chronic economic crisis associated with the downturn in world prices for copra and the steady increase of unemployment in Port Vila. The resource-rich island of Espiritu Santo has not recovered from its rebellion of a decade ago and has been unable to recapture its role as a spearhead for economic development in the northern islands. Walter Lini has had to make some concessions in attempting to remedy this situation. In February 1989, he met for the first time with representatives of the local private sector, who have been urging such consultations since independence.

The 1989 budget was austere, with stringent cuts affecting education and health. However, the Vanuatu police force, whose loyalty to Walter Lini helped uphold his government in 1988, although it subsequently threatened to go on strike, received an increase of approximately 20 percent over their 1988 allocation. Various ministries were reshuffled in March 1989, with the total number reduced from eleven to ten.

Not all aspects of the economy were
entirely negative during 1989. An Air Vanuatu service was launched with the purchase of a Boeing 727 from Australian Airlines for A$9.7 million, funded in part by an Australian grant of A$6 million. An A$1.5 million campaign to promote tourism filled previously empty hotel rooms. However, tourism’s ability to help solve the economic crisis remained to be seen.

Seeking to reduce tensions with neighbors as well as internationally, the Lini government has adopted an increasingly pragmatic foreign policy. This trend was confirmed at the Vanua’aku Pati congress in June 1989, where the need for a policy of “constructive engagement” was stressed. Relations with Australia and New Zealand have recently been marked by goodwill on all sides, reflecting the Lini government’s new emphasis on economic issues.

In spite of these efforts, the economic crisis remains severe. While the business circle of Port Vila has hardly suffered, a large proportion of the population has fallen back on a traditional island lifestyle of self-sufficiency based on the consumption of root crops, an alternative rejected by many young people. This has aggravated the gulf between the “bush” (the outer islands) and Port Vila, a situation which the opposition has sought to take advantage of while actively campaigning in the outer islands. Other, older, cultural and geographic tensions existing between various islands, as well as between the north and the south of the archipelago, have re-emerged, further sharpening latent centrifugal tendencies.

Although the events of 1988–1989 resulted in a major defeat for the Carlot-Sope opposition, it has not lost its zeal. The leaders expect to win the 1991 parliamentary elections, provided their parties remain unified. This time they have chosen a legal means of acceding to power.

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