

Reviews of Solomon Islands and Vanuatu are not included in this issue.

## FIJI

Fiji's long journey toward constitutional reform ended in 1997 with the adoption of the bill amending the 1990 constitution. This closed a chapter in Fiji's history that began with the coups of 1987. A new era was ushered in that many hoped would be marked by political stability and progress in dealing with pressing social and economic issues.

To some extent Fiji came full circle in 1997 by returning to constitutional consensus and Commonwealth membership. Much of this may be attributed to the leadership of Prime Minister Sitiveni Rabuka. By pushing through constitutional amendments that returned Fiji to a political system more fair and just to all citizens, the prime minister proved to his doubters and detractors that he was committed to a new Fiji, one built on partnership between the different races. Opposition Leader Jai Ram Reddy also played a crucial role. The close working relationship forged by these two leaders stands out as one of the highlights of the year.

This course was by no means smooth for either man. As Rabuka's stature increased, at both national and international levels, rifts within his own party, the *Soqosoqo ni Vakavulewa ni Taukei* (SVT) grew wider, as did Fijian provincial and chiefly

divisions. Meanwhile open warfare erupted between Reddy and the Labour Party leader, Mahendra Chaudhry.

Rabuka faced his first major challenge of the year when the Great Council of Chiefs met in January and moved to end their formal role as sponsor of the *Soqosoqo ni Vakavulewa ni Taukei*. Their aim was to become a more independent body, playing a greater part in policy formulation. In what was interpreted as a rebuke to the prime minister, the chiefs alleged that they were becoming a "rubber stamp" of the party and the government. The issue seemed to fuel dissent against Rabuka within the party, with claims that he (as party leader) had caused a falling-out with the Great Council of Chiefs "by failing to return leadership to the chiefs" (*Post*, 29 Jan 1997, 1).

More evidence of dissent surfaced when it was revealed that a Malaysian constitutional expert and former high court judge, sent to Fiji to advise the government on the constitutional review, had recommended rejecting the 1996 Reeves report on the constitution (Reeves, Vakatora, and Lal 1996). His assessment was that the report was "null and void" because one member of the Constitutional Review Commission was not impartial, the terms of reference were changed, and the commission members were not jurists. One unnamed government spokesperson welcomed the assessment on the grounds that the Reeves report did not express the Fijian view nor secure

Fijian rights. But other parties, including the National Federation Party (NFP), Fiji Labour Party (FLP), and Fijian Association Party (FAP), condemned the remarks. Opposition Leader Reddy described this development as a "prelude to sabotage the whole review process" (*Post*, 29 Jan 1997, 4).

Containing any attempt at "sabotage" from members of his party emerged as Rabuka's main headache in the first few months of 1997. His suggestion in February that there be cross-racial voting for nine seats held by the *Soqosoqo ni Vakavulewa ni Taukei* led to talk of a breakaway party being formed by dissident backbenchers. Rabuka threatened another election. As Suva hosted the World Christian Festival of Praise that month, the prime minister may well have prayed for a miracle to help solve Fiji's constitutional future.

The Joint Parliamentary Select Committee (JPSC) on the constitution, deliberating on the recommendations of the Reeves report, had by April reached agreement on most changes, except the number of open and communal seats. With the prospect of continuing deadlock on the issue, the committee sought the intervention of Reddy and Rabuka. Together they agreed to a formula that would provide for 46 reserved (communal) seats and 25 open seats. This in effect reversed the numbers recommended by the Reeves report (25 communal and 45 open). The communal seats would consist of 23 Fijian, 19 Indian, 3 general elector, and 1 Rotuman.

This proposal met with strong opposition from within the SVT caucus.

Dissent also boiled over in the Great Council of Chiefs and the various provincial councils. Said one high chief from Rabuka's own province, Cakaudrove, "We want the 1990 constitution retained: no more, no less" (*Post*, 12 April 1997, 2). Eight provincial councils reportedly rejected the Reeves report outright. The other six supported the report with some reservations. At a meeting of the Great Council of Chiefs in April, it was agreed that a fourteen-member subcommittee be set up to look at the provincial council recommendations on the Reeves report and try to tailor them to those of the Joint Parliamentary Select Committee. It was also agreed that the council review the proposed constitutional amendment bill before it was tabled in Parliament.

At the first meeting of the subcommittee, Rabuka was accused of committing an "unforgivable insult" by telling the members of the subcommittee that their role was simply to relay decisions of the Joint Parliamentary Select Committee to the Great Council of Chiefs. An act of disloyalty to the chiefs was alleged. In the words of one chief, "We protected him [Rabuka] by including the prerogative of mercy provision in the 1990 constitution" (*Post*, 17 April 1997, 3).

Tensions appeared to have been defused in early May when the Great Council of Chiefs accepted recommendations of its subcommittee that conformed closely with those being proposed by the Joint Parliamentary Select Committee. These included provisions that the prime minister need not be a Fijian, and that the House of Representatives comprise 46 commu-

nal seats (23 seats reserved for Fijians) and 25 open seats. However a request was made to Parliament to consider increasing Fijian seats to 28 and to conduct a further review of the alternative voting system.

On 14 May, ten years to the day after the first coup took place, Prime Minister Rabuka tabled the report of the Joint Parliamentary Select Committee in Parliament (JPSC 1997). As expected, it was a somewhat watered-down version of the Reeves report, reversing the number of reserved communal seats and open seats in Parliament. It also advocated an alternative voting system based on single-member constituencies rather than the multiple-member constituencies recommended by the Reeves report. The Joint Parliamentary Select Committee agreed with the Reeves report that the primary goal of the constitution "should be to encourage the formation of multi-ethnic governments." But it went further by stipulating that the constitution include provisions that the prime minister establish a multiparty cabinet, selected from both houses and representing a fair cross section of all parties. A ten-percent threshold or seven seats would be required for a cabinet post. The role of opposition would be played by standing committees of parliamentary backbenchers who would scrutinize policy and consider bills referred to them. Other recommendations were for the provision of a Bill of Rights and a Human Rights Commission, which would educate the public about the Bill of Rights. For Fijian communal seats, the committee recommended that provinces be the basis for constituencies, except for six urban seats.

Chapter Three of the 1990 constitution dealing with Fijian and Rotuman interests would be replaced by a Compact of Understanding that would recognize individual rights as well as Fijian land and customary rights. Fijian interests would always be paramount over others' in the event of conflict. Great Council of Chiefs nominees in the Senate would have a veto over Fijian land and customary laws. The Great Council of Chiefs would also have authority to appoint the president and vice-president.

The prime minister shed tears as he tabled the JPSC report in parliament. "Ten years ago I was convinced that there was no other way to safeguard the national security interests of Fiji. Today I can say with the same strength of conviction that I believe there is only one way. We must stand together [and] commit ourselves towards a united future" (*FT*, 15 May 1997, 2).

Rabuka's apparent shift "from agitator to conciliator" was hailed by many. However some were less impressed. Fijian Association Party firebrand Ilai Kuli condemned Rabuka's "crocodile tears" and called for the report to be burned. "I will not compromise Fijian rights any more," he declared (*Post*, 15 May 1997, 2). Some in the *Soqosoqo ni Vakavulewa ni Taukei* also spoke out against the report. Said Inoke Kubuabola, minister for telecommunications, "My position is that any amendment to this [1990] constitution cannot and must not reduce Fijian rights and interests" (*FT*, 26 June 1997, 2). At the annual general meeting of the *Soqosoqo ni Vakavulewa ni Taukei* in June (which was marked by a poor turnout of government members of Parliament), it was

agreed that the party accept the JPSC report. However, party members would be allowed to vote on the changes according to their conscience. This decision was criticized by Reddy as going against a JPSC agreement that parties vote along party lines.

Debate in Parliament on the JPSC report was deferred until June to allow time for provincial councils and members to review the report's recommendations and also to allow for the formal drafting of a bill. In addition, there was a need to win the blessings of the Great Council of Chiefs, and to this end history was made when Jai Ram Reddy was invited to address the chiefly forum in early June. As he was the first Indo-Fijian to be so invited, it was a gesture heavy in symbolism. Reddy himself described his address to the Great Council of Chiefs as the most important he had ever made. His speech sought to reassure the chiefs that the proposed constitutional changes strengthened rather than diluted Fijian interests. Indo-Fijians were not seeking to dominate Fijians. Rather, he called for an "equal partnership" between the races and an end to "the pointless cycle of inter-communal rivalry" that had characterized Fiji's recent past.

Rabuka also addressed the Great Council of Chiefs. He described the 1990 constitution as having "served its immediate purpose well"—to return Fiji to parliamentary rule and to ensure the representation of all communities in Parliament. But in order to secure the country's peace, harmony, and economic and social progress "we have to go further" (*FT*, 7 June 1997, 2).

A major hurdle to gaining passage of the Joint Parliamentary Select Com-

mittee's recommendations was cleared when the Great Council of Chiefs agreed to endorse its report. Their support was linked to two requests: that when council's appointees to the Senate vote on issues concerning entrenched (Fijian) legislation they reflect the wishes of the Great Council of Chiefs, and that the government continue negotiations with other parties to declare Fiji a Christian state. The second request, which had not been included in either the Reeves report or the JPSC report, attracted keen interest and revealed further Fijian divisions. Opposing the move were the president of the Methodist Church, Dr Ilaitia Tuwere, and other prominent theologians (although not the general secretary of the Methodist Church). The prime minister was also cool to the idea, while several of his senior ministers spoke out in favor of the move.

In June, as the Parliament debated the constitution amendment bill, more fractures and divisions became apparent, and not only within the *Sogosoqo ni Vakavulewa ni Taukei*. The Fijian Association Party clearly had two irreconcilable views on the constitution, with two of its parliamentarians (Ilai Kuli and Viliame Saulekeleka) vociferous in their opposition to any change to the 1990 constitution. This was in stark contrast to the party's "official" position—articulated by party leader Josevata Kamikamica—which was to support the JPSC report.

Splits also appeared within the Fiji Labour Party, with party leader Chaudhry openly critical of recommendations that Labour Party representatives on the Joint Parliamentary Select Committee had endorsed. In

particular he was opposed to the distribution of open and communal seats. There was some speculation that Labour parliamentarian Krishna Datt, who had supported the 25–46-seat formula as a member of the Joint Parliamentary Select Committee, might switch allegiance to the National Federation Party since his views on the constitution appeared closer to those of Reddy.

Meanwhile a shouting match between Reddy and Chaudhry erupted during debate in Parliament on the constitution amendment bill. Chaudhry accused Reddy of short-changing the Indian people by agreeing to 19 instead of 20 Indian communal seats. Reddy retaliated by challenging Chaudhry to “attack him directly rather than through silly letters to the editor under various nom de plume” (*Review*, Aug 1997, 13).

Despite the acrimony and unsuccessful attempts by Chaudhry to include amendments, the House of Representatives voted unanimously to pass the bill on 3 July. The Senate endorsed the bill on 10 July, and it was signed into law by President Ratu Sir Kamisese Mara on 25 July. It will take effect from July 1998, and elections under its new electoral provisions should take place by February 1999. The task of redrawing the electoral constituencies was entrusted to a three-member Constituency Boundaries Commission set up in September. It will base its recommendations on the findings of the 1996 census.

The census had counted a total of 772,655 people and, for the first time since 1901, ethnic Fijians outnumbered other races (51.1 percent of the

population). The Indian population showed a marked decline over the past ten years (43.6 percent compared to 46 percent in 1986). This was attributed mainly to emigration (an estimated 53,800 or one in eight Indians leaving Fiji since 1986).

When tabling the JPSC report in May, Rabuka had enthusiastically promoted the idea of forming a government of national unity in the lead-up to the next elections. He had wanted to include four Indians in a new multiparty cabinet. Reddy, however, was quick to distance the National Federation Party from such an arrangement, saying he favored staying in opposition until after the elections. While the National Federation Party was firmly committed to a policy of cooperation with the *Soqosoqo ni Vakavulewa ni Taukei*, it would prefer to focus on multiparty talks that would lead to the formation of a “national front coalition” to contest the next elections.

A meeting took place on 21 July between Rabuka (representing his government SVT–GVP [General Voters Party] coalition), Reddy (National Federation Party), and David Pickering (General Electors Party). Participants discussed plans for a multiparty coalition in the next elections and agreed to establish an interparty committee to formulate policies and objectives of a joint platform.

The Fiji Labour Party also decided to stay out of the proposed government of national unity (although there was some confusion over whether they were invited in by Rabuka at all). A party convention in July, however, revealed some differences on the issue. While Labour leader Chaudhry

opposed the party's participation in a multiparty cabinet, Labour parliamentarian Krishna Datt was of the view that the party should at least consider the option. Meanwhile, the Fijian Association Party decided to join the government in a coalition "without preconditions." It had toyed uneasily with the idea of a coalition with the *Sogosoqo ni Vakavulewa ni Taukei* for months. While both sides expressed support for "Fijian unity," neither seemed willing to "get into bed" with the other.

The announcement of the FAP–SVT coalition was the catalyst for a cabinet reshuffle in August. Two FAP parliamentarians were brought into the cabinet: Ratu Finau Mara as Fijian Affairs minister (taking over that portfolio from Rabuka) and Viliame Cavubati as assistant minister for Communication. Other key changes were to move Berenado Vunibobo from Finance to Foreign Affairs and appoint Jim Ah Koy to the pivotal post of finance minister. Former Foreign Minister Filipe Bole was given a newly created post, minister for National Planning. (As Fiji's candidate for the post of secretary-general of the South Pacific Forum Secretariat, Bole's tenure in cabinet was seen as temporary. However, it became more permanent when, in September, the government withdrew his name in order to smooth the way for Papua New Guinea's candidate, Noel Levi.)

Provincial considerations clearly played some part in the allocation of cabinet posts. However, the appointment of two Lauan FAP ministers raised some concern that a crucial Fijian constituency—Naitasiri—was

unrepresented in cabinet, which could be read as the government taking the province for granted. This concern proved well founded when a by-election to fill the Naitasiri seat left vacant by the death of the Fijian Association Party's Ilai Kuli was held in October. The SVT–FAP candidate was trounced by a Nationalist party candidate, former unionist Kavekini Navuso. The shock defeat was attributed in part to a successful campaign orchestrated by the Nationalists that played heavily on Fijian fears about the new constitution. Neither the *Sogosoqo ni Vakavulewa ni Taukei* nor the Fijian Association Party effectively countered the propaganda tactics of the Nationalists. Nor did they provide their candidate with much support. Rabuka canceled a meeting on the campaign and did not visit the district. A speech on national radio in Fijian by the prime minister to explain the new constitution was also canceled. Only about 40 percent of voters took part in the election (compared to the 74 percent turnout in the 1994 election), signaling growing voter apathy or disillusionment with politics.

One issue that remained unresolved in 1997 was the future of land leases due to expire under the Agricultural Landlords and Tenants Act (ALTA). The lack of progress in this area overshadowed politics at all levels. The year saw the expiry of the first batch of 45 agricultural leases. Between 1997 and 2005, 4837 native leases covering 19,000 hectares will expire. This includes land that at present produces one million tonnes of cane annually. For the Fiji sugar industry, retaining this land for cane farming is vital.

Fijian landowners in Ba province (the main cane growing area) were reported to be favoring a return of all their land, in part so that they could become cane farmers.

An ALTA task force looking into the future of land leases recommended against continuing with the Agricultural Landlords and Tenants Act, claiming that Fijian landowners had been denied active participation in the sugar industry and use of their land. It accused the Native Land Trust Board and the government of failing to protect landowner interests and promote opportunities for Fijians. It recommended that no compensation be paid to tenants whose leases are not renewed for "unauthorized improvements" to land (despite farmers' claims that landowners were aware of and did not object to improvements). The question of how to compensate displaced farmers remained unanswered, and no effort was made by the government to acquire land that might be used to resettle those forced to leave their farms. Short-term measures seemed to be the easy way of dealing with the issue: temporary extension of some leases and renewal of others for shorter terms. In the meantime, the Native Land Trust Board will activate an ALTA provision giving tenants and itself a grace period of twelve months to allow time for a final decision.

The uncertainty and confusion over the future of cane leases had direct implications for the sugar industry. In 1997 a number of signs warned that the industry was facing an imminent crisis. Most critical perhaps was the continuing drop in revenue against escalating costs. It is expected that

sugar production for 1997 will be 100,000 tonnes less than in 1996, resulting in a loss of earnings of F\$60 million. This will mean a major reduction in income for the country's twenty-two thousand cane farmers in 1998. Nobody in the industry was willing to shoulder responsibility for this state of affairs. Adverse weather, an excessive supply of burnt cane leading to lower sugar content, mill inefficiencies, and industrial disputes were all blamed.

In order to deal with the underlying structural problems facing the industry, the Fiji Sugar Commission adopted a strategic plan titled "Changing Attitudes." Compiled by an overseas consultant, it calls for a number of major changes aimed at making the industry more efficient and competitive. These include mechanized harvesting, a quality cane payment system, a shorter harvesting season, and heavy reinvestment in the mills and transport system. However, one of the largest farmers' bodies, the National Farmers' Union, strongly opposed any action. Its general secretary, Mahendra Chaudhry, maintained that there should be no discussion on the strategic plan until the future of land leases was finalized.

The survival of the sugar industry also depends on the future of its overseas markets under the Lomé Convention's preferential trading agreement. The current Lomé Convention expires in 2001. In 1997 Prime Minister Rabuka assumed a prominent international role in leading negotiations with the European Union as president of the African, Caribbean and Pacific Council of Ministers. It was also a busy year for the prime minister in other areas of

foreign affairs. This included a visit to Croatia in March to visit Fiji's police officers stationed there on peacekeeping duties. While in Croatia Rabuka intervened in the escalating Sandline crisis in Papua New Guinea. He reportedly called General Jerry Singirok twice to offer his advice on ending the standoff. In April Rabuka had an audience with the president of France while on a visit to Paris. On this occasion President Chirac sought to influence the Fiji government into reconsidering the purchase of Airbus planes (instead of the preferred Boeing). In May Fiji hosted the leaders' summit of the Melanesian Spearhead Group (at the prime minister's hometown of Savusavu). Delegates pledged to support Fiji's bid to rejoin the Commonwealth. This occasion was overshadowed somewhat by controversy surrounding excessive partying by delegates and the need for the government to seek an additional F\$70,000 to cover the costs of holding the meeting. A delegation (led by the prime minister and including the opposition leader) traveled to Edinburgh for the Commonwealth Heads of Government summit in October, following Fiji's readmission. The path to Edinburgh had been smoothed by a visit to India by Jai Ram Reddy in September. Following the visit, the Indian government announced its support for Fiji's membership of the Commonwealth. Rabuka then invited India to reopen its diplomatic mission in Suva, an invitation that New Delhi reciprocated.

Government expenditure was a prominent political issue throughout 1997. Controversies ranged from the army overspending its budget by F\$8

million, to the government buying its cabinet ministers new Mitsubishi Pajeros, to the number of overseas trips that members of Parliament and civil servants enjoyed (for example, a six-member parliamentary delegation to Cairo that cost F\$87,000). The problem of overspending caused Finance Minister Vunibobo to seek Parliament's approval in July for an additional F\$24 million. This brought the 1997 net deficit to between 10 and 11 percent of gross domestic product. On 5 September the government secured approval for an extra F\$131 million to cover state expenditure.

The 1998 budget, handed down in November by new Finance Minister Jim Ah Koy, had as its overriding goal the reduction of the government's net deficit. This would be achieved primarily through sales of government assets (for example 29 percent of its shares in Air Pacific), corporatization of government utilities (Telecom Fiji, Fiji Electricity Authority, water, and sewerage), and dividend transfers from public enterprises, better collection of revenue, and an increase in alcohol, tobacco, and fuel taxes. It projected a 1.7 percent deficit for 1998, with F\$100 million being channeled from asset sales to finance the government debt. This target was viewed with skepticism by NFP spokesman, former university lecturer Dr Wadan Narsey, who questioned the prudence of selling government assets to pay for the debt.

Equally controversial was the decision to increase tariffs on imported goods that were also produced locally. This was justified as a way to help local manufacturers adjust to foreign competition and to offset the high cost



of doing business in Fiji. However, the move was criticized as promoting further inefficiency and going against the recommendations of the government's own committee on deregulation (whose 60-page report had been released in September).

The finance minister predicted a 1 percent growth rate for 1997 and 3.8 percent for 1998. But as economic indicators worsened, these figures looked increasingly optimistic. The country was hit by low gold prices, stagnant exports (especially of garments and sugar), and loss of competitiveness in the face of currency depreciation in Asia, Australia, and New Zealand. Early in the new year (1998), the Reserve Bank of Fiji announced a dramatic 20 percent devaluation of the Fiji currency. Many expected that this move would make the 1998 budget targets even more unrealistic and lead to further pressures to reduce government spending.

The budget was described by some observers as a preelection budget, aimed at winning voters through increased payouts to health, education, and poverty alleviation, as well as allocations to fight crime and corruption, and to resettle farmers displaced under the Agricultural Landlords and Tenants Act. This will make it difficult to implement additional cuts, especially given the increased hardship that many will face as a result of the currency devaluation. The year 1998 is thus likely to be dominated by conflict over economic policy.

Relations between the National Federation Party and the Labour Party fell to a new low at the end of the year with the leaking to the media in

December of the contents of an audit report into parliamentary allowances. It alleged that fifteen members, including Leader of the Opposition Reddy, Speaker of House of Representatives Dr Kurisaqila, and Fijian Association Party Minister Ratu Finau Mara, were paid housing and travel allowances totaling F\$178,000 to which they were not entitled. Chaudhry called for all those cited in the audit report to "explain themselves" to the auditor general and to the public. Ratu Finau promptly announced that he would resign his cabinet post until an investigation had been carried out. The National Federation Party, however, accused the Labour Party of having a hand in leaking the report in order to mount a smear campaign against the opposition leader. Reddy alleged a "clandestine arrangement whereby the reports go to a political party, then to the *Fiji Times*, then the Auditor General, and then to parliament" (*FT*, 16 Dec 1997, 3). In a barely disguised reprisal, reports soon surfaced that overseas trips made by Mahendra Chaudhry, accompanied by a female journalist, were being queried in order to establish who had paid for the travel.

Ratu Finau's decision to quit cabinet had the support of his party colleagues. But this was not the case a week later when he announced that he would resume his duties as minister for Fijian Affairs, following the auditor general's clarification on allowances, which appeared to clear him of any wrongdoing. Declared FAP leader Kamikamica, "I don't understand what is happening at the moment" (*FT*, 23 Dec 1997, 1). All was not well in

the FAP–SVT coalition, and this seemed to be confirmed when in late December Adi Kuini Speed announced her resignation as chair of the Fijian Association Party. Her reasons were primarily linked to poor health. However, there were also reports of discord in the party over the ongoing coalition with the *Soqosoqo ni Vakavulewa ni Taukei*.

After a decade of national pain and recrimination, there was a certain irony in the way 1997 ended. A spokesman for the Taukei Movement—the archnationalist Fijian movement that had strongly backed the coups—called for 1998 to be “a year of reconciliation and the true crossroads where Fijians and Indians leave aside their racial differences.” He also advocated the renewal of land leases to Indian tenant farmers (*Post*, 30 Dec 1997, 2). Meanwhile a poll conducted by the *Fiji Times* found that more Indians preferred Rabuka as prime minister to Reddy or any other candidate. Rabuka remained the overall favorite among the different races, followed by Kamikamica, Reddy, and Chaudhry.

If 1998 is to build on the reconciliation that marked the past year, it will require even greater efforts by the country's leaders. Reaching a political agreement on the constitution was perhaps the easy part. Now that is over, the hard part—making that agreement work and making the economy work—is about to start.

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## IRIAN JAYA

The Human Development Index published in the Indonesian Central Bureau of Statistics' 1996 *Social Economic National Survey* placed Irian Jaya near the bottom of the provincial table, above only East Timor and West Nusa Tenggara. Government statistics are notoriously inscrutable—Irian Jaya also appears as the province with the second highest non-oil income per capita (due almost entirely to the presence of the Freeport mine)—but the bureau's rating does appear to capture fairly precisely the persistent lack of infrastructure in Irian Jaya. These shortcomings were starkly exposed during 1997, as the numbers of deaths in Irian Jaya attributed to the drought of 1997–98 induced by the El Niño southern oscillation exceeded the total for all of Indonesia's other provinces combined. The worst drought in more than a century combined cruelly with

an international collapse of confidence in the Suharto regime and the Indonesian rupiah, which finished 1997 as the worst-performing currency in the world and placed many Irianese in a perilous position as 1998 began.

Several locations in Irian Jaya began to experience unusually dry weather as early as January 1997; by May the drought had begun in earnest, and by August most of the province was experiencing at least some problems with the supply of food and water. Early warnings of an exceptional El Niño event issued in July by the Department of Meteorology in Jakarta went unheeded, and the failings of the country's heavily centralized bureaucracy were swiftly exposed when the underfinanced and poorly equipped provincial administration was confronted with the first reports of massive mortality in September.

Unlike neighboring Papua New Guinea, where severe drought and famine were widespread, the worst effects of the drought were experienced in a relatively circumscribed area of Irian Jaya, consisting of the eastern half of the central range and its southern slopes, as far east as the border with Papua New Guinea. At altitudes above 2,200 meters, such as the settled Kwiyawagi and Agadugume areas of the West Baliem River watershed, a series of frosts devastated the garden crops and destroyed most of the tree crops, leaving thousands almost instantly without food. Minor frosts are a relatively common occurrence, and the local administration for the Jayawijaya Regency at Wamena was prepared to some extent for the news of food shortages from Kwiyawagi;

but as further reports from more isolated and low-lying locations were received, some of the magnitude of the impending disaster became apparent. The announcement in mid-September by the regent of Jayawijaya, J B Wenas, of 138 apparently drought-related deaths in his regency was the first official recognition of the devastating impact of the drought.

By the end of September, reports from Merauke Regency, where 11 people had died, brought the provincial total to 265 drought-related deaths. The number of deaths climbed above 500 in October and, by the end of 1997, as many as 673 people in five regencies (Jayawijaya, Merauke, Nabire, Mimika Timur, and Puncak Jaya) were reported to have died as a direct result of the drought and ensuing famine. Several factors complicate the interpretation of this figure: ground-checking of the earlier reports from Jayawijaya suggested that the totals from some localities represented all known deaths, and included people dead for a number of years. Against this tendency to inflate totals in order to convey a sense of urgency about the situation must be weighed the fact that many deaths have almost certainly gone unreported. Detailed surveys during November by a joint team from the International Committee for the Red Cross and PT Freeport Indonesia's Malaria Control Unit in the Mapnduma area of Jayawijaya Regency revealed 103 previously unreported deaths, including astonishing mortality rates of approximately 20 percent for two communities and malaria infection rates of 90-to-100 percent in other communities not usu-

ally exposed to the disease. Similar results may later be documented in equally remote locations along the southern fall of the central range.

Thus far, mortality attributed to poor water supply, respiratory illnesses, and the spread of malaria to higher altitudes appears to have accounted for most of the deaths. Failing food supply certainly contributed to the weakened conditions of many communities, but it is feared that the worst effects of the famine that has followed the drought may not be experienced until 1998. The delivery of food and medical aid was hampered from August until November by the heavy smoke haze that obscured much of the central range and its southern slopes. Vast areas of alpine scrub and lower montane forest in the Lorentz National Park were consumed by fire in August and September, and in individual incidents elsewhere people were caught and killed in house fires. Rain finally fell in many parts of Irian Jaya during November and December, relieving water supply problems and allowing crops to be planted for the first time in up to seven months. However, local climatic variations in the highlands have seen rainfall and water supply problems persist into 1998 in certain areas, and the lapse between planting and harvest of the first significant crops will place many communities at risk of starvation.

Relief efforts in Irian Jaya were coordinated by a central government body, Satkorlak, established at a provincial level in Jayapura and matched by at least two regency-level Satlak committees for Jayawijaya and for the three regencies (Puncak Jaya, Paniai,

and Nabire) newly constituted from the former regency of Nabire. Of these, the most efficient was undoubtedly the Jayawijaya committee under the energetic leadership of Regent Wenas. But much of the actual delivery of aid rested with the Missionary Aviation Fellowship, which committed most of its modest resources to the tasks of both ferrying food and medical aid, and coordinating their distribution. Fellowship pilots with previous experience in the region were recalled from overseas, as were former missionaries to conduct surveys in areas with which they were already familiar. Although the military provided Hercules aircraft to fly rice and other materials into the major highlands center of Wamena, further distribution relied heavily on the light Cessna planes of the Missionary Aviation Fellowship, together with up to four helicopters, two supplied by the army, one by the fellowship, and one by PT Freeport Indonesia.

Toward the end of the year, international appeals launched on behalf of Irian Jaya by the International Committee of the Red Cross, the United Nations Department of Humanitarian Affairs, and World Vision had raised substantial sums of money. A significant proportion of the aid delivery effort was assumed by World Vision Indonesia, whose staff have extensive experience in the province. Not until December, however, after news had broken of the shocking mortality documented by the Red Cross, did President Suharto finally instruct Ginandjar Kartasasmita, the state minister for planning, to coordinate a national response to the famine in Irian Jaya.

The funds for this relief have apparently been guaranteed by Jakarta, irrespective of further developments in the national financial crisis.

In addition to the other agencies, the International Committee for the Red Cross secured permission in November to reenter and supply aid to the Mapnduma area, where it had played a key role in 1996 in the (ultimately unsuccessful) negotiations for the release of hostages taken by the Organisasi Papua Merdeka (OPM) movement. Following the release of the hostages in May 1996, the Mapnduma area had been closed off by the military, who offered a financial reward for information leading to the arrest of the OPM commander, Kelly Kwalik. Books published separately during 1997 by two of the hostages, Adinda Saraswati and Daniel Start, provided highly contrasting accounts of their 1996 experiences, but almost nothing could be known of the fate of the Nduga and eastern Amungme communities who occupied the area in which the hostage drama was played out. The return of the International Commission for the Red Cross to Mapnduma in 1997 has begun to throw some light on events after the hostage release, and the results of their preliminary surveys suggest that the famine and exceptional mortality experienced in the area owed as much to the dislocation of the hostage crisis and its aftermath as to the 1997 drought.

The huge influx of military to the Mapnduma and Timika areas following this and other hostage-taking events during 1996 appears to have reduced OPM activity to those areas immediately bordering Papua New

Guinea. The Trans-Irian Highway (the Jayapura-Wamena section of which was formally opened by President Suharto later in September) was targeted in April, when a party of surveyors was attacked and one of them killed. But the principal events involving the Organisasi Papua Merdeka during 1997 were the series of mass surrenders in the Merauke Regency during May, which were widely reported in the national media. The significance of these surrenders remains unclear, accompanied as they have been by considerable numbers of Irianese crossing the border into southern Papua New Guinea, and, during December and January 1998, even fleeing by boat to islands in the Torres Strait. However, the simultaneous capture of OPM leaders just across the border by PNG police suggests a heightened degree of cooperation between Indonesian and PNG authorities.

This was also an election year in Indonesia, as the country voted for representatives to the national Parliament. Elections have not been closely contested in Indonesia for more than thirty years, and in 1997 the ruling GOLKAR party managed to increase its national vote to 74.5 percent (exceeding both its target of 70.02 percent and the 68.1 percent of the vote it attracted in the 1992 elections). In Irian Jaya, despite the ousting of the popular national party leader, Megawati Sukarnoputri, the Indonesian Democratic Party retained its traditional second-place position, with 7.5 percent of the vote, behind GOLKAR, which managed a massive 88.9 percent. Reports of government manipulation

of the ballot system were widespread, ranging from inducements offered to returning refugees in return for their vote, through to government-sponsored "education" programs that instructed people how to vote for GOLKAR. In an otherwise predictable result, the principal talking point in Irian Jaya was the revolt by the provincial GOLKAR branch in Jayapura, which defied its head office in Jakarta by voting in as provincial council chairman the army faction's nominee, Lieutenant-Colonel Robert Sitorus, rather than the party's designated candidate, Nathaniel Kaiway. Attempts by an embarrassed party secretariat to discipline the unruly branch members were ultimately overruled by cabinet ministers.

Of more consequence for Irian Jaya in the long run will be the 1998 presidential elections and, specifically, the identity of the new vice-president. One of the leading candidates for the post is B J Habibie, the current state minister for research and technology and energetic advocate of the proposed mega-development project in the vast Mamberamo Valley in Irian Jaya. The overall cost of the Mamberamo project, which received the backing of six state ministers in October, is estimated at US\$120 billion, grand even by Habibie's standards. Plans for the project center on a hydroelectric dam across the Mamberamo River, and a 100,000 square kilometer area set aside for large-scale agro-industrial development (principally rice and oil palm) and heavy industry (aluminium, steel, copper, petrochemical, pulp and paper plants, and a shipyard), the power for which will be generated by

natural gas from the newly discovered Bintuni Bay gas fields (discussed later). The preliminary results from feasibility studies on twelve of the component industries, conducted during 1997 by the German companies Siemens, Hochtief, and Ferrostaal, were presented at a closed seminar in December.

Whether the project proceeds or not, the fate of the Mamberamo area and many of the other low-lying or coastal expanses in Irian Jaya appears to be sealed by the government's vigorous support for oil-palm development in the province. Of 9.1 million hectares allocated for oil-palm plantations across Indonesia in 1996, 5.6 million were in Irian Jaya alone (ICN, 16 Feb 1998). To a significant extent, lack of infrastructure in Irian Jaya has deterred investors from pursuing these opportunities, and the government has turned instead to joint ventures between private companies and the Department of Transmigration, in which the latter essentially provides labor and basic infrastructural requirements such as road access to the industry. In October the Mamberamo area was also formally designated the second of President Suharto's one-million-hectare "Agricultural Parks" (*Down to Earth*, May 1997, 8-9). Although planning details have not been released, development of the Mamberamo area will presumably match that of the Kapuas peat-land project in central Kalimantan, where the transfer of up to one million transmigrants from Java is similarly linked to oil-palm plantation development. To some extent, realization of either the Habibie or Suharto plans for the

Mamberamo area hinge on the future recovery of the rupiah, but the piecemeal spread of oil-palm development linked to transmigration may, over time, achieve a result comparable to that envisaged for the more spectacular projects. The benefits of these plans for the scattered communities resident in the Mamberamo area have generally been assumed by planners in Jakarta and Jayapura, but there appears to have been little consultation or even analysis of the likely social impacts of development on this scale.

Estimates of the considerable natural gas reserves in Bintuni Bay, discovered during 1996 by Atlantic Richfield (ARCO) and British Gas, continued to rise during 1997. ARCO's proven and probable reserves at the Tangguh field reached 13 trillion cubic feet, with a further 6.5 trillion cubic feet in possible reserves, the largest gas field in eastern Indonesia and more than sufficient to initiate plans for the development of two gas trains in Irian Jaya, in a joint venture with the state-owned oil company, Pertamina. British Gas, which holds a 50 percent stake in a smaller gas field adjacent to Tangguh, will collaborate with ARCO to develop the fields jointly. Development of the Tangguh field will now leapfrog the planned development of Indonesia's larger but more expensive Natuna field in the South China Sea, which has failed to find sufficient financial backing.

The mining industry continues to dominate the non-oil sector of Irian Jaya's economy, the Freeport mine alone accounting for over 88 percent of the value of the province's exports. Fifteen new "sixth generation" Con-

tracts of Work for mining exploration concessions in Irian Jaya were signed by the national government in April, a significant addition to the six existing concessions (two of which are held by Freeport and its Iria Eastern Minerals subsidiary). The most prominent of these new concessions include: the investment of BHP Minerals in further exploration of the large nickel deposit on Gag Island in a joint venture with the state mining company PT Aneka Tambang; the feasibility studies for mineral sand mining along a 250 kilometer length of the north coast of Irian Jaya in a joint venture between Austpac Gold and Indomin; and the portfolio of seven exploration concessions, held in joint ventures between Iriana Resources, Barrick Gold, Cyprus Amax, and Battle Mountain Gold, which cover a total of 6.22 million hectares in northern Irian Jaya. Mining on a different scale occurred in Nabire Regency during late 1996 and early 1997, when an alluvial gold rush developed in the hinterland of Nabire township. Evident success on the part of up to twenty thousand people in panning for gold was brought to a halt just prior to the elections, when the security forces placed restrictions on movement to the area of the find.

PT Freeport Indonesia's copper-gold operation remains the only actual mine in Irian Jaya, and its considerable size and national significance continue to cast a long shadow over other events in the province. During 1997, Freeport announced an increase in its gold reserves to 108 million ounces, valued at US\$35.5 billion, confirming its status as the world's largest gold resource, in addition to its reputation as the

world's third-largest copper deposit. In December, Freeport's regional AMDAL environmental impact report received approval from the minister for environment, allowing the company to increase its mill throughput from a current rate of about 120,000 to as much as 300,000 metric tonnes per day. Despite these successes, the company was hit by the global slump in copper and gold prices, which led to a drop of 49.6 percent in its share value during 1997. Shares in the parent company, Freeport McMoRan Copper & Gold, were consequently identified as the fifth worst performing stock of the year in the United States, and Standard & Poor responded by downgrading the company's rating, "with negative implications." Ironically, the uncertain political climate and declining value of the rupiah that Standard & Poor cited in its downgrading have been of financial benefit to the company through savings on the salaries of its Indonesian staff.

Freeport's highest profile in the media during 1997 derived from its involvement in the uncovering of the world's largest-ever mining fraud, the fiasco over the supposed Busang motherlode "discovered" by Canadian exploration company Bre-X in Kalimantan. Freeport's introduction to the Busang site, a surprise move on the part of the government after a protracted battle between other mining companies whose competing interests had been represented by Suharto's own children, came by courtesy of its new-found relationship with Bob Hasan and the Nusamba group. A key confidante of President Suharto and proxy manager of many of the president's

business interests, Hasan had successfully induced Bakrie Brothers to part with their control over a 9.6 percent stake in PT Freeport Indonesia in January, selling out to the Nusamba group, which is owned jointly by Hasan, Sigit Harjojudanto (Suharto's eldest son), and three foundations presided over by Suharto. Nusamba's acquisition of the stake was then guaranteed by Freeport. Industry observers cast some doubt on Bakrie Brothers' claim that the move was a strategic shift to more profitable core enterprises, noting that its Freeport share was the company's single most profitable investment, by a comfortable margin. When Hasan emerged as the president's chosen "fixer" for the knotty question of the eventual ownership of Busang, Freeport were swiftly selected as operators for the project. Although Freeport geologists conducting due diligence drilling were instrumental in exposing Busang as a worthless property, its core samples having been salted by Bre-X staff, Freeport became a target for intense criticism from Amien Rais, leader of the Islamic Muhammadiyah organization, for the generosity of the terms of its contract with the government.

The numerous social problems in the Timika and Tembagapura areas surrounding Freeport's mine in Irian Jaya remained intractable during 1997. Though the environmental claims included in the lawsuit brought against Freeport in the New Orleans District Court by Amungme leader Tom Beanal were dismissed in April, Beanal's counsel, Martin Regan, promptly re-filed an amended suit focusing on human rights claims. This amended suit was itself rejected, and



then amended and re-filed in August, indicating the continuing opposition of the Amungme community to the current form of its relationship with the company.

In particular, Freeport's attempts to compensate the Amungme and Kamoro communities indigenous to its main area of operations have met with strong opposition. The Integrated Timika Development or "PWT2" Project initiated jointly by the company and the government has become a focus for strife between community and company, and among different ethnic communities pitted against one another for a share of the benefits. In August, a public letter signed by the leaders of each of the churches represented in the Timika area rejected the current structure of the PWT2 project, calling on the company and the government to acknowledge the prior rights of the Amungme and Kamoro people and compensate them accordingly.

Also contributing to tension in the Freeport area has been the continued build-up of military strength in the Timika area. Armed Forces Commander Feisal Tanjung confirmed that the Timika Military District Command (KODIM), which was reinforced in September by six Panzer V-150 armored cars (*Suara Pembaruan*, 9 Sep 1997), now contains the greatest concentration of troops in the country. In January 1997, war broke out between the Amungme landowners and immigrant Dani and Damal people living in settlements in the Tembagapura area. A total of seven Dani were killed in the fighting before the military finally intervened and forced a truce on the

warring parties, setting the tone for an uneasy year. Conflict in the community boiled over again in the area of the lowland town of Timika in March, when four people died in a second clash between Dani and Amungme. Community rivalries and tension associated with the payment of royalties from the PWT2 project came to a head in August, when the mysterious killings of two young Ekari people, Nela Pakage and Akulian Kotouki, provoked riots in the settlement of Kwamki Lama. In the ensuing confrontation between security forces and the community, two more people were shot dead by soldiers. If it is possible to find evidence of hope at the conclusion of such a year, it is perhaps in the increase in activity in Irian Jaya of international agencies such as the International Committee for the Red Cross (together with the Indonesian Red Cross) and UNESCO, whose presence may ultimately contribute to a more open and transparent political and social environment in the coming year.

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## NEW CALEDONIA

Jean-Marie Tjibaou, Eloi Machoro, and other Kanak nationalists gave their lives in the 1980s for the cause of independence from France, but as a 1998 referendum on sovereignty nears, the *Front de Libération Nationale Kanak et Socialiste* (FLNKS) is offering a compromise to French loyalists in New Caledonia: independence "in association" with France. The rhetoric of self-determination is still strong, but for the past year the FLNKS has envisioned 1998 as only the beginning of a transitional devolution of authority from Paris. President Bernard Lepeu of the *Union Calédonienne* (UC), the largest party in the FLNKS coalition, views this strategy as the "only way to reconcile the Kanak desire for independence with the desire of loyalists and Paris for French representation in the region" (RAN, 9 Feb 1997). However, an impasse in negotiations over the Kanak acquisition of a key nickel mine was a major stumbling block to preparations for the referendum, which should take place sometime between March and December 1998, according to the Matignon Accords (MacLellan 1997).

Jacques Lafleur, millionaire leader of the loyalist *Rassemblement pour la Calédonie dans la République* (RPCR), who signed the Matignon Accords with Tjibaou a decade ago, has been

calling for a "consensual solution" based on a thirty-year pact, rather than leaving the sovereignty issue up to next year's referendum. His opposition to independence, expressed even in delaying actions in the Territorial Congress on tax bills that would finance projects in the Kanak-controlled Northern Province, has coincided with disagreement between the two leading independence groups, the UC-dominated FLNKS and the *Parti de Libération Kanak* (Palika; MacLellan 1997). Palika split from the FLNKS in the 1995 elections, and although its most prominent leader, Paul Némaoutyine, heads the team bargaining with France over Kanak mineral rights in the Northern Province, Palika prefers to prioritize political discussions over mining issues (RAN, 28 Jan 1997).

In contrast, Lepeu and Rock Wamytan, president of the rump FLNKS, have most actively pursued the creation of a Northern nickel-processing plant, a project that in turn is linked to an exchange of mining sites with the giant *Société le Nickel* (SLN), of which the French state owns a majority of shares. After difficult bargaining in late 1996, ERAMET, the holding company that controls the *Société le Nickel*, had offered to exchange its Koniambo nickel site for the Kanak-owned site at Poum in the Northern Province. But the implementation of that proposal soon stalled, because ERAMET argued that the Koniambo site was worth much more than that at Poum and that a direct exchange without additional compensation would consequently be unfair. The *Société le Nickel*, which operates 80 percent of the active nickel mines in

New Caledonia, claimed that Koniambo contained one-third of all the reserves in the territory and that by 2010 it would provide half the ore processed at its Doniambo plant in Noumea (RAN, 27 Feb 1997).

The avowed goal of the FLNKS is to rectify the “disequilibrium” in resource distribution in the territory. Noumea, the capital, is located in the more populous, multi-ethnic and loyalist South and has the only nickel-processing plant, whereas the Kanak-controlled North is less developed economically and regularly loses unemployed young Kanak migrants to Lafleur’s domain. The Northern Province has attracted potential investment from Falconbridge, a Canadian firm, to help its own *Société Minérale Sud Pacifique* (SMSP) build the proposed new facility and thus deliver five hundred more jobs to local Kanak. Having first asked for a concession at Tiébaghi, just north of Koumac, a port the North is developing to attract people away from Noumea, the FLNKS finally accepted ERAMET’s offer of Koniambo, despite the fact that the site was located in the center-west of Grande Terre and technically in the RPCR-dominated Southern Province.

Didier Leroux, leader of the dissident loyalist party *Une Nouvelle-Calédonie Pour Tous* (UNCT), has voiced support for the SMSP plant but also regards the exchange of Koniambo for Pougé as unequal, and has expressed concern about the socialist ideas of the FLNKS. Nicole Waia of Radio Djiido, the radical Kanak station in Noumea, explained that the FLNKS needed the ore vein first, in order to develop the capital necessary for development—

and by implication, possible compensation. Meanwhile, rising demand for stainless steel in Asia caused another Canadian firm, INCO, to propose a mine at Yaté in the South, which it hopes will produce 30,000 tonnes of nickel and cobalt annually by the year 2000 (RAN, 7 Mar 1997, 3 Apr 1997; NC, 9 July 1997).

In February, the FLNKS voted at its congress to insist that the immediate exchange of the two mining sites be a precondition for further political talks about 1998. This led the French minister of industry to intervene directly to speed up the process and make sure the Northern plant “sees the light of day.” The French state even threatened to abrogate the *Société le Nickel*’s title to Koniambo, despite its twenty-two-year mining operation at that site. ERAMET then threatened to undertake legal proceedings in its own defense and criticized Falconbridge for conducting no feasibility studies on the proposed SMSP project. To step up the pressure on Paris, the FLNKS staged a three-week blockade of the Koniambo site in March. As Mayor Marcel Nedia of Koné said, “Independence can’t be conceived of without mastering the economy of our country.” But Palika and the UC’s partner in the rump FLNKS, the *Union Progressiste Mélanésienne* (UPM), did not participate in the anti-SLN protests (RAN, 24–25 Feb 1997, 19–20 Mar 1997; NC, 31 May 1997). In April, the *Union Syndicale des Ouvriers et des Employés de la Nouvelle-Calédonie* (USOENC) called for a general labor strike, as an ultimatum to France to facilitate the Koniambo transfer. Two thousand protesters met outside the French High

Commission in Noumea and marched to a rally at the congress hall, and the UC followed up with its own demonstration the next day. All mineral exports from New Caledonia were blocked for two weeks, and protests spread across the mining sites in the North until ERAMET finally agreed to appoint a new negotiator (RAN, 5–21 Apr 1997).

France held parliamentary elections in May and June that resulted in a Socialist victory. Both the FLNKS and Palika had refused to offer candidates, arguing that the main issue in the voting would be European Union membership. Palika claimed that participation would imply integration into a system that condoned colonialism in Kanaky. Maverick nationalist Nidoish Naisseline of the Loyalty Islands-based party *Libération Kanak Socialiste* (LKS) surprised many by urging his followers to vote RPCR in the national elections, “in the spirit of dialogue” (RAN, 5 May 1997). Aided by the FLNKS boycott, RPCR candidate Pierre Frogier was elected by 61 percent of the votes cast in his district and joined Lafleur (elected for the seventh time) as a delegate to Paris. His chief opponent, Philippe Pentecost, was hailed by some as a “third force” locally. He won in Northern towns like Poindimié by attracting support from dissident loyalist Robert Frouin, pro-sovereignty labor unions, and ironically, elements of Palika (NC, 2 June 1997, 23 July 1997; NH, 5–11 June 1997).

In mid-June, Wamytan led a delegation to Paris to confer with new Premier Lionel Jospin and new Minister for Overseas Territories Jean-Jack Queyranne, explaining that the mining

issue was jeopardizing the Matignon Accords signed in 1988 by Socialist Premier Michel Rocard. Wamytan liked the fact that the Socialist platform in 1997 mentioned support for a new statute for New Caledonia, “permitting its accession to sovereignty, according to the rhythm and methods fixed by the local [Matignon] partners.” But the latter wording, he said, implied that the FLNKS had to “remain vigilant” in order to secure its goals (NC, 3 June 1997; RAN, 17–20 June 1997).

While in Paris, Wamytan pushed again for the Northern plant as a means of economic emancipation to accompany political decolonization, and he apparently found a sympathetic ear in Alain Christnacht, a counselor to the premier who had been French high commissioner to New Caledonia from 1991 to 1994. However, resolution of the mining issue continued to elude the FLNKS when hardliner Yves Rambaud was reelected general manager of ERAMET and set about mending relations with Paris while protecting SLN interests in New Caledonia. Wamytan felt betrayed by Jospin’s lack of movement on Koniambo, and by October the FLNKS and USOENC resorted to new blockades, first of the Kopeto mine to protest Rambaud’s visit there, and then of all five SLN sites for a month. The FLNKS also blockaded transportation routes in the North for a week, until in early November the new French cabinet in Paris agreed to support the Northern plant more forcefully (NC, 19–20 June 1997, 12 Sep 1997; RAN, 15–23 Oct 1997, 4 Nov 1997).

Another issue was immigration. An

estimated ten thousand people have migrated to New Caledonia since the Matignon Accords, threatening the employment of local residents, especially Kanak, as well as raising questions of voting rights. In the May-June elections, Louis Kotra Uregei, head of the powerful pro-independence, leftist labor federation, *Union Syndicaliste des Travailleurs Kanak et Exploités* (USTKE), had supported Leroux and Pentecost in order to try to stop the RPCR, which he called the party of immigration. The illegal arrival in November of 110 Chinese boat people led to demands for their repatriation from Palika, a "Stop Immigration" collective, and USTKE. Despite counter-protests by humanitarian groups, the government interned the Chinese and agreed to send them home. An exception to this exclusionist attitude was the continued migration of Polynesians from Wallis and Futuna, some of whom live in squatter camps around Noumea. The FLNKS made overtures to change its charter and accept its political ally in Congress, the Wallisian-dominated *Rassemblement Démocratique Océanien* (RDO), led by Aloisio Sako, as a full member of the nationalist front. In return, the RDO reaffirmed its support of the "independence in association" goal of the FLNKS (RAN, 24 Feb 1997, 28 Apr 1997; Maclellan 1997; NH, 5-11 June 1997). Meanwhile, three hundred members of La Nouvelle, an organization of the descendants of convicts transported to New Caledonia, held a ceremony in December to commemorate the centennial of the last prison ship's

arrival, in order "to lay bare taboos about the colonial period" (RAN, 14 Dec 1997).

The Pacific Forum, the Melanesian Spearhead, and the United Nations have all voiced support for an "act of self-determination" in New Caledonia, in compliance with the Matignon Accords of 1988. Yet many Caldoches (local-born Europeans) hope there will not be a referendum in 1998, because they worry about the precedent of the violent 1980s. Moreover, they ask what makes a Canadian multinational corporation (Falconbridge) a better investor in local mining than the *Société Le Nickel* (Domergue-Schmidt 1997). Cartoons in the weekly newspaper *Les Nouvelles Hebdo* ridicule Kanak nationalists and pro-independence unionists (NH, 19-25 June 1997, 31 July-6 Aug 1997), and despite the rise of the RDO, most Polynesian and Asian immigrants also feel that their security lies in continued French hegemony. In October, Queyranne told Pacific journalists in Canberra that, based on his recent visit to New Caledonia, he was optimistic about a peaceful resolution of the territory's future status, because it was "stable"—even as the FLNKS was blockading the territory's mines. He envisioned "a greater autonomy" for New Caledonia within the Republic and also announced that French financial aid to the South Pacific Commission would increase by 3 percent, a reminder that money talks in Oceania. Meanwhile, Robert Garrigos of the French University of the Pacific told the press that the mission of the Noumea and Pape'ete campuses was to

spread French civilization across the region and thereby "create a sort of balance with the anglophone presence" (RAN, 21 Oct 1997; NC, 2–8 Sep 1997).

While repeatedly professing unity with the UC-led FLNKS, Palika and the UPM continued to criticize Wamytan's handling of the Northern plant issue, advocating a more accommodating approach. In an effort to overcome the Koniambo impasse, Jospin sent Philippe Essig to New Caledonia in late August to mediate between political opponents and mining interests. By early November, Essig produced a report that pleased the FLNKS: the French state would facilitate an immediate "ad hoc" transfer of Koniambo to the *Société Minérale Sud Pacifique* in exchange for the Poupou site, whose price had already been agreed on when the company purchased it from the *Société le Nickel* in 1995. A team of "internationally recognized experts" would, however, assess the value of the Koniambo vein in order to determine the financial "balance due" to the *Société le Nickel* beyond the worth of Poupou. In addition, SMSP-Falconbridge would have a deadline (2005) by which to conduct the feasibility studies needed to effect the construction of the Northern plant. Only if they then decided to go ahead with the project would the formal title transfers take place (NC, 5 Nov 1997).

With this apparent resolution of the mining issue, the political question revived. Earlier in the year, when Waia pressed Wamytan about whether 1998 would simply recognize a negotiated agreement instead of being a real vote

on sovereignty, he replied, "It's not that we have dropped the [latter idea], but let's say we have taken another route . . . it will be more a referendum to ratify a solution we have found together" (RAN, 6 Feb 1997). Yet toward year's end, Raphael Mapou of Palika expressed concern that the mining impasse was retarding political discussions so badly that time might run out for a consensual agreement in 1998. As the Matignon decade entered "the red zone," as he called it, it could become necessary to prepare for a genuine vote on independence, perhaps under United Nations supervision. "It serves no purpose to continue to speak of a negotiated solution when nobody wants to sit around the table" (NC, 27 Sep 1997; Maclellan 1997). Lafleur, like Palika, has been calling for political dialogue all along, but the FLNKS clearly wanted to force economic concessions as part of the decolonization process. Meanwhile, local Kanak mayors and customary chiefs have often opposed the expansion of mining, warning against environmental pollution and loss of communal lands. Despite the FLNKS victory in the North, Kanaky remains very much a work in progress, and 1998 is unlikely to be dull.

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## PAPUA NEW GUINEA

By any measure this was an extraordinary year in Papua New Guinea, where dramatic and often tragic events have become commonplace in recent times. The government's latest attempt to force a military solution to the long-standing Bougainville secessionist crisis, this time with the help of foreign mercenaries, backfired badly. It precipitated a constitutional crisis when the Defence Force commander abruptly withdrew his support for the plan and elements of the military moved to expel the mercenaries. Veteran politician Sir Julius Chan was obliged to stand down as prime minister, in the face of overwhelming public support for the defiant soldiers, and lost his parliamentary seat in the general election later in the year. Unfortunately, his successor, Bill Skate, did little to restore public faith in the badly discredited political system. He rose to power by forming a coalition with the remnants of the Chan government, people whose integrity he had vehemently attacked in the run up to the general election. Later he was exposed on secretly recorded videotapes claiming, among other things, to be the "godfather" of Port Moresby's notorious *raskol* gangs. The mercenary debacle did, however, provide a

welcome boost for the peace process in Bougainville, and by the end of the year most of the elements of the so-called Burnham Declaration hammered out in New Zealand in July were in place and yielding positive results. Meanwhile, another disaster, this one natural in origin, was gathering momentum throughout the country as the worst drought in more than a century caused extensive crop failures, putting many rural Papua New Guineans at risk.

Government officials and military leaders have long been frustrated by their inability to combat the guerrilla tactics of the Bougainville Revolutionary Army (BRA) and acutely conscious of their dependence on Australia for military training and equipment. In the face of Canberra's increasing reluctance to support the military effort on Bougainville, Defence Minister Mathias Ijape began to seek private sources of military hardware in early 1996. A foreign business associate, with whom he had worked on an earlier plan to establish an elite police unit, put him in touch with Tim Spicer, a London-based director of a military consultancy company soon to be called Sandline International. In April 1996, Ijape, Secretary for Defence James Melegepa, and Defence Force Commander Jerry Singirok met in Cairns with Spicer and another London-based consultant to discuss Papua New Guinea's military needs. Spicer then prepared a proposal called Project Contravene, which was presented to Singirok and Ijape later the same month. In December, after Deputy Prime Minister Chris Haiveta became interested in the idea, Spicer visited Papua New Guinea for further

talks and agreed to provide a more detailed report for a fee of US\$250,000. He delivered the expanded report at the end of December 1996.

Project Contravene proposed a “high speed covert military operation” employing the “precise and surgical application of combat power” with two main objectives on the island of Bougainville. The first was to “neutralize” the Bougainville Revolutionary Army by silencing its broadcast station, Radio Free Bougainville, and killing or capturing its senior commanders, named in the report as Francis Ona, Joseph Kabui, Sam Kauona, and Ismail Toarama. The second objective was to “seize and hold” the giant copper and gold mine at Panguna, closed by the crisis in 1989. The attacks would be preceded by two preparatory phases, one to train the Special Forces Unit of the Papua New Guinea Defence Force (PNGDF) and “a small detachment of resistance fighters” for the operation, and the other to gather intelligence on BRA locations, and cut off transport and communications links with neighboring Solomon Islands. The subsequent contract between the state of Papua New Guinea and Sandline, signed at the end of January 1997, required Sandline to provide the training, gather the necessary intelligence, conduct the military operation in conjunction with the Defence Force, and provide unspecified “follow-up operational support.” It would also supply a package of military hardware featuring two Russian-built MI-24 attack helicopters and two MI-17 transport helicopters, a range of ordinance including

missiles, as well as sophisticated night vision and remote-sensing equipment. These services, many of which appear to have been subcontracted to a large South Africa-based security company, Executive Outcomes, would be provided at a total cost of US\$36 million.

The plan appeared seriously flawed. As Anthony Regan has argued, it showed little understanding of the nature of the crisis on Bougainville and simply assumed that military action could and would bring it to an end (Regan 1997). The military had not succeeded on Bougainville, the report implied, partly because of tactical errors but mainly due to inadequate training and equipment. More bizarre was the suggestion that Australia and New Zealand had conspired to prolong the crisis to keep Papua New Guinea from realizing its full economic and regional potential. Nor does it seem likely that the more immediate military objectives could have been achieved as planned. As the Defence Force discovered in August 1994, it is relatively easy to seize the Panguna mine site, but securing this huge mountaintop facility and its vast network of associated infrastructure against subsequent attack would require an enormous commitment of security personnel and resources. This part of the plan could only succeed if earlier strategic attacks against the five “key targets” succeeded in “neutralizing” the Bougainville Revolutionary Army. It would have been relatively easy to destroy the one “hard” target on the Sandline list, the radio transmitter, although it surely could have been rebuilt elsewhere without too much trouble. Given the rugged nature of the



terrain, and problems distinguishing BRA soldiers from ordinary villagers, it is difficult to imagine how the BRA commanders could have been tracked down, positively identified, and eliminated through some "surgical" application of "combat power." Even if all of these individuals were removed, surgically or otherwise, other disenchanted Bougainvilleans might well emerge to continue the struggle.

The small group of senior Papua New Guinea officials involved in the Sandline deal may have been aware of these problems, but hoped that the military operation (codenamed Oyster) would at least force BRA leaders to the negotiating table. The key player was, of course, Prime Minister Chan, who initially rejected Sandline's proposal in September 1996, but apparently changed his mind after meeting with Spicer in January 1997. Chan was extremely eager to resolve the Bougainville crisis, having seen numerous military and political initiatives yield a series of humiliating setbacks and defeats. He was also acutely aware that, if not resolved, the issue could jeopardize plans to consolidate his political position in the upcoming general elections. Chan may well have been impressed by Spicer's military credentials and "can-do" attitude, especially after years of dealing with an unwieldy military establishment at home and unsympathetic officials in Australia. Certainly, Spicer's proposal was pitched to appeal to these concerns, attributing a negative role to Australia, emphasizing the "immense" political rewards that victory would bring, and promising to complete the

operation before the current Parliament dissolved in April.

Events moved fast once Chan decided to back the proposal, which was endorsed by cabinet on 15 January. Despite serious concerns raised by the officials who reviewed Spicer's draft contract, the agreement was executed two weeks later and US\$18 million (fifty percent of the contract price) transferred to Sandline. By mid-February, just a month after cabinet approved the operation, some seventy foreign mercenaries were training with the Special Forces Unit in Wewak. However, by the end of March the mercenaries were gone, Operation Oyster had been abandoned, and Papua New Guinea was reeling from its worst political crisis since independence in 1975.

Initial public reaction to news of the Sandline deal, which first broke on 22 February, was relatively subdued. Although some Papua New Guinean politicians and community groups were quick to voice their opposition, the loudest protests came from government and media sources in Australia, with Prime Minister John Howard declaring that the use of mercenaries was completely unacceptable. At first Chan attempted to downplay the significance of the contract, claiming that Sandline employees were merely providing training services and would not be deployed on Bougainville. Australia, he complained, was meddling in Papua New Guinea's domestic affairs, a claim that received support from prominent opposition leaders. But domestic pressures proved to be Chan's undoing. On 16 March, Defence Force personnel under the

command of Major Walter Enuma launched *Rausim Kwik*, an operation designed to round up and expel the Sandline mercenaries. The following day Defence Force Commander Brigadier General Singirok went on national radio to explain his opposition to the Sandline contract, report the detention of the mercenaries, and call for the resignation of Prime Minister Chan, Deputy Prime Minister Haiveta, and Defence Minister Ijape.

Singirok's lengthy statement to the nation raised rather more questions than it answered. He was clear about his actions, announcing that he had "canceled all further activities" with Sandline. His demands were also clear: the prime minister, deputy prime minister, and defense minister must resign within forty-eight hours and face a commission of inquiry, or he would ask citizens to "join hands to force them to resign." He indicated several reasons for taking these actions, which Chan described as "gross insubordination bordering on treason." First, the planned military operation on Bougainville was unacceptable. It would inflict unnecessary levels of human and environmental damage, aggravate rather than solve the crisis, and cause people throughout the country to turn against the government and the Defence Force. Second, the contract with Sandline was flawed. It had been pushed through without proper scrutiny and involved inflated prices for obsolete equipment. Third, by involving foreign nationals on a temporary basis at such a high cost (equivalent to one-third of the Defence Force's annual budget) the initiative served to undermine the credibility and profes-

sionalism of the permanent Defence Force. Fourth, the actions and motives of the three key government ministers in the Sandline affair were highly questionable. According to Singirok, they wanted to reopen the Panguna mine regardless of the human costs of doing so, and may have been benefiting financially from the Sandline deal.

There is no doubt that Singirok was concerned about the devastating impact of Operation Oyster, and sincere in his belief that military action would not solve the Bougainville crisis. Yet the evidence suggests that he was familiar with the contents of the Sandline proposal from its beginnings in 1996, including the nature of the equipment involved, and subsequently facilitated its development and implementation. It could be that he became increasingly disenchanted when his advice was effectively ignored in the final stages of the negotiations, when the Sandline training program yielded nothing new, and when it became apparent that senior politicians were engineering some sort of secret deal involving shares in Bougainville Copper Limited. Certainly, the charges of underhand dealing and corruption raised by Singirok struck a chord with the general public and led to a powerful groundswell of support for his stand. Ironically, although no hard evidence to corroborate these charges of wrongdoing had emerged by the end of 1997, there was evidence that Singirok himself had accepted money under dubious circumstances. In an article in the *Weekend Australian*, Mary-Louise O'Callaghan, the journalist who first broke the Sandline story, revealed that Singirok had

received a total of A\$70,000 in the twelve months preceding the Sandline crisis from a London dealer who had been supplying arms to Papua New Guinea for some years.

It soon became apparent that Singirok had the upper hand in the ensuing standoff with Chan. Although dismissed as commander, he clearly had the support of most of the military, whose Port Moresby barracks became the focal point for large public demonstrations over the next three days. The rallies were organized by university students and community action groups, and tensions ran high when fringe elements took advantage of the situation to smash shop windows and loot merchandise. The worst incident occurred on the afternoon of 20 March, when police used tear gas to disperse demonstrators outside Murray Barracks and discharged automatic weapons in the general direction of civilians fleeing into the military compound. Intent on retaliation, some soldiers tried to break into the armory but were restrained at gunpoint by their superiors. Also under intense pressure from Australia, whose prime minister sent a special envoy to Port Moresby, Chan grudgingly bowed to the inevitable on 20 March. He suspended the Sandline contract and announced a judicial inquiry into the circumstances surrounding the engagement of the company.

However, these actions by no means satisfied the critics. They continued to demand Chan's resignation, a move that appeared to have the support of Governor General Sir Wiwa Korowi, who noted that the "termites of greed, corruption, manipulation, selfishness

and abuse of public office" had reached "alarming proportions" (*PC*, 19 March 1997, 3). After several days of negotiations behind closed doors, and with demonstrations continuing in urban centers across the country, Parliament convened on 25 March to consider a motion calling on Chan to resign. The large crowd that had gathered outside the building became angry when the motion was defeated, leading those inside to fear for their safety. Parliament House remained secure, but the presence of armed soldiers controlling traffic in and out of the building led to speculation that a military coup was under way. Late that night Major Walter Enuma, the leader of Operation Rausim Kwik, arrived to assure political leaders that there was no bid to seize power, and managed to calm a group of protesters intent on entering the building. On the afternoon of the following day, 26 March, Chan told Parliament that he, Haiveta, and Ijape would "stand aside" pending the results of the Sandline inquiry. The next day cabinet reversed the order of the two dominant parties in the ruling coalition by selecting Pangu Pati's John Giheno as acting prime minister, with Andrew Baing of the People's Progress Party as his deputy.

Since there was no attempt to take over the government, the actions of Singirok and other military leaders during March 1997 did not constitute a coup (May 1997, 104). Nevertheless, illegal acts had clearly been committed, and various state agencies began to move against those involved. A Defence Force board of inquiry was set up to investigate possible wrongdoing by defense personnel, but its activities

were postponed pending the results of a new judicial inquiry into the Sandline affair. Singirok was dismissed from the armed forces and later charged with sedition for his actions on 17 March. Meanwhile, Major Enuma, first catapulted to prominence by his role in Operation *Rausim Kwik*, was back in the news at the end of July, when he was arrested and charged with raising an illegal force to influence the results of the general elections in an Enga electorate. On 28 July a group of armed soldiers forcibly released Enuma from the cells at the Boroko police station, and subsequently placed new Defence Force Commander Brigadier General Leo Niua under house arrest at Murray Barracks. Five officers attached to the Special Forces Unit, including Enuma, were later charged by a military court with mutiny for these actions. Perhaps more troubling were the police raids in early May on the offices of several community organizations active in Sandline-related protests, and the subsequent arrest of their leaders on charges of illegal assembly.

As usual, the national elections, held 14–28 June, attracted a large number of candidates, an average of about twenty for each of the 109 parliamentary seats. Also as usual, the decisive issues tended to be local ones. However, the Sandline affair was a factor in the 1997 elections, undoubtedly contributing to the ouster of Sir Julius Chan from the New Ireland electorate he had represented for twenty-four years, and to the election of several new members of Parliament who had been active in the Sandline protests. About half of the incumbent members, including fourteen cabinet ministers,

lost their seats, and about one-third of the members of the new House had no declared party affiliation.

Those who hoped that the elections would restore some of the damage inflicted by the troubling political events of the first part of the year were soon disappointed. Some observers expected that veteran politician and “father of the nation” Sir Michael Somare could successfully build a coalition around the eleven elected members of his National Alliance party, and relegate the discredited Pangu and People’s Progress parties to the opposition benches. However, on 22 July the new Parliament convened and voted Bill Skate in as prime minister by an overwhelming margin over Somare. When earlier negotiations between Somare’s National Alliance and Skate’s People’s National Congress broke down because neither man would concede the prime ministership, Skate quickly agreed to a partnership with Pangu and the People’s Progress Party. In doing so, observed the *Australian Financial Review*, the country’s first Papuan prime minister “abandoned every pledge he had made, every policy he had advocated and every criticism he had uttered against the PPP-Pangu Government” (*AFR*, 23 July 1997). Just ten days before, Skate had stated categorically that he “did not want to be involved with their dirty politics. . . . We are totally against the activities and decisions of Pangu and PPP. We would be going against our people’s wishes if we began associating with these parties” (*National*, 23 July 1997). It was even more surprising to see several newly elected members closely associated with activist com-

munity groups, including the former secretary-general of MELSOL, Peti Lafanama, join the government ranks alongside returning Deputy Prime Minister Chris Haiveta and other individuals they had bitterly opposed earlier in the year.

Less than a week after assuming office, Skate ordered the police to suspend action against military personnel and others who had opposed the Sandline deal, ostensibly as an attempt to reduce tensions within the Defence Force. However, his intervention appeared rather less impartial when it was later revealed that he was related to Major Walter Enuma, and may have known in advance of the plan to free him from the Boroko cells. On 10 August Skate announced expanded terms of reference for the new Sandline Commission of Inquiry headed by Justice Kubulan Los, but amended them again on 19 September. Among other things, the commission was asked to investigate whether there were any secret financial kickbacks or business deals associated with the Sandline contract, and whether certain individuals, including Haiveta, had traded in Bougainville Copper Limited shares when the government was planning to purchase the mining company early in 1997. Singirok's actions during the March crisis, as well as the possibility that he had received money from arms dealers, were also issues to be probed.

In November Skate faced what appeared to be a major political setback when an Australian television station broadcast video extracts showing the prime minister discussing payoffs for politicians and journalists, and boasting about his connections with

criminal gangs in Port Moresby. "I can be very ruthless," he was heard to say, "I don't need money . . . but if I tell my gang members to kill, they kill. . . . There's no other godfather . . . I'm the godfather." He also described how he once told his "boys" to grab a man who tried to attack him, and how they drove him to a beach and "cut him to pieces." The tapes were secretly made by Mujo Sefa, an Australian businessman with interests in Papua New Guinea, who claimed to have helped broker the deal that resulted in Skate's election as prime minister. The release of the videotapes by Sefa, who apparently had fallen out of Skate's favor, immediately provoked a barrage of demands for Skate to resign, and a crisis within the coalition government. Citing a conspiracy to bring him down, Skate fired Haiveta as deputy prime minister, who then withdrew his Pangu Pati from the government. Skate claimed that Haiveta had set him up by bringing him to Sefa's office and getting him drunk. Haiveta denied the charge, but did not deny that he was present when the tapes were made. In a consummate demonstration of pragmatic politics, Haiveta eventually agreed to rejoin the government and Skate announced that there was no need for a public inquiry into the sordid affair. By the end of the year Skate's support in Parliament had actually increased, as he managed to recruit three prominent figures, Sir Rabbie Namaliu, Sir Mekere Morauta, and Masket Iangalio, into his cabinet (Vulum 1998c, 27).

The inability of Papua New Guinea's state structures to deliver essential services was dramatically

illustrated in 1997 when the country was struck by an extended drought associated with the El Niño weather system phenomenon. All nineteen provinces were affected by the lack of rain, which devastated subsistence and cash crops alike in the second half of the year. It also caused the Fly River to shrink, stranding shipping and interrupting production at the giant Ok Tedi mine. By the end of the year, the Australian aid agency AusAID estimated that as many as 1.5 million people, more than a third of the population, were without adequate food and water, and at least five hundred people had died from starvation or drought related disease. About 260,000 people were in a critical, life-threatening situation, and a further 980,000 were approaching that condition. Furthermore, according to one of the authors of the AusAID report, "The worst is about to happen" (Vulum 1998b, 19).

Although Skate announced that up to 30 million kina would be set aside to deal with the problem, it was clear that nothing like that level of funding had been made available by the end of the year. It was also clear that Papua New Guinea simply lacked the administrative and logistical capacity to deliver the necessary assistance to the rural areas. The relief campaign, which involved the extensive use of helicopter transport, was effectively orchestrated and implemented by military and civilian teams from Australia. Even though the effort was able to deliver some 1.2 million kilograms of food to about sixty thousand people, many more were left hungry. Even when rainfall resumes, it will take time to restore

gardens to full production. The prospects for rural Papua New Guinea in the first half of 1998 look grim indeed (Vulum 1998a, 1998b; Field 1998).

The Sandline catastrophe did create the conditions for significant advances toward a lasting peace on the war-ravaged island of Bougainville. The collapse of this initiative effectively ruled out any possibility of a military solution to the nine-year-old crisis, at least in the immediate future (Regan 1997, 64–72). Furthermore, when members of the new Skate government turned their attention back to the possibility of a negotiated settlement, the peace process was already well under way. This was largely as a result of a concerted effort by senior New Zealand officials, who managed to persuade leaders from all of the key factions on Bougainville to come to Burnham army camp near Christchurch, New Zealand, to discuss their differences. The two weeks of peace talks in July resulted in the Burnham Declaration, which committed the parties to a process they hoped would produce a lasting solution to the crisis. The leaders called for a negotiated ceasefire with the Papua New Guinea government, the lifting of restrictions on the free movement of goods and people in and out of Bougainville and on the island itself, the complete withdrawal of the Papua New Guinea Defence Force, and the introduction of a neutral peacekeeping force (*National*, 22 July 1997). The meeting was hailed as a great success, and in a gesture of goodwill, the Bougainville Revolutionary Army released five Defence Force soldiers whom they had held captive since September 1996.

There had been numerous high-profile attempts to free the prisoners, involving prominent figures such as Sir Michael Somare and Bougainville Member of Parliament John Momis.

Meanwhile, the central government had also been working on a comprehensive peace strategy. This initiative was launched in late January 1997 by Peter Barter, the minister for provincial and local government affairs in the Chan administration, who was alarmed about the implications of the recently approved Sandline proposal. He chaired a committee that brought together representatives of the key national agencies involved in Bougainville. The committee outlined a strategy for peace in a detailed document that was eventually adopted by cabinet in the dying days of the Chan government, and endorsed by the Skate government in August 1997. The work of the Barter committee, and its extensive discussions with interested parties on Bougainville, did much to rekindle interest in the process by which peace might be achieved. It also provided the Skate government with a sound basis for negotiations with the rebel factions on Bougainville, which got underway in late September.

These talks were also held at Burnham, and included delegations from the national government, and the main legally recognized authority on the island, the Bougainville Transitional Government, as well as the breakaway Bougainville Revolutionary Army and its political wing, the Bougainville Interim Government. On 10 October the Burnham Truce was announced. The parties agreed to an interim truce and to work toward a formal agree-

ment that would make the truce permanent. They also agreed to restore freedom of movement on the island, and to establish regular dialogue between the security forces, BRA commanders, Resistance Force commanders, and local leaders. The agreement was endorsed by Skate, who described it as an "important step forward," and generally welcomed it as representing the best prospect for an end to the Bougainville crisis so far. By the end of November, a 260-strong Truce Monitoring Group, which included soldiers and civilians from New Zealand, Australia, Fiji, and Vanuatu, had been deployed on Bougainville. The unarmed group, dominated by New Zealanders, was warmly received, and by the end of the year there had been no violations of the ceasefire agreement.

One troubling aspect of the peace process as it progressed in 1997 was the nonparticipation of the self-styled president of the Republic of Bougainville, Francis Ona, who had launched the secessionist rebellion in the late 1980s. He refused to attend either round of talks in New Zealand and dismissed the resulting agreements, which he said were destined to fail. Ona has consistently maintained that he will not accept anything less than full independence for Bougainville, and is fully aware that the eventual political outcome of the present process is likely to be some form of autonomy for Bougainville within the state of Papua New Guinea. Whereas most Bougainvilleans, including most BRA commanders, now seem willing to compromise their political demands in the interest of peace, Ona and his

group appear determined to continue the struggle. As long as they do, the road to a lasting peace is unlikely to be smooth.

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