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## *Melanesia in Review:*

### *Issues and Events, 1988*

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#### Fiji

The dominating feature of 1988 for Fiji was its attempt to come to terms with the consequences of the preceding year's two military coups. While many claimed the country had now changed irrevocably through the installation of de facto military rule, the Rabuka-dominated order, with Ratu Sir Penaia

Ganilau as President and Ratu Sir Kamisese Mara continuing as Prime Minister in an interim government, accorded urgency to persuading publics at home and abroad that Fiji was returning to normal. For the Australian, New Zealand, United States, British, and neighboring South Pacific governments, there was a predisposition to take the regime at its word about its intentions. For the Mara government, the major objectives on the road to acceptability included acquisition of legitimacy via constitutional change, economic recovery through incentives and enlistment of foreign interests, and, not least, keeping a firm local lid on a potentially volatile mix of social, political, and ethnic conflict.

The proposed constitutional reformulation, in particular intentions about parliamentary representation, saw details drip fed through a series of far from consistent statements. Through a major address to the nation in March, Ratu Sir Kamisese said that it was the intention of his interim administration to "hold free and open elections once a broadly acceptable constitution was completed." Nevertheless this would "have to ensure the full protection of the fundamental interests and concerns of the indigenous Fijian people, but at the same time accommodate on a fair and equitable basis the position of other communities" (*PIM*, May 1988, 37).

Yet in July, when details for such a single chamber parliament comprising 71 seats were announced, such principles of equity were hardly in evidence. Indians would elect 22 representatives from a communal roll; Fijians would have 28 representatives although, inter-

estingly, these individuals would be elected indirectly through the existing provincial council structure. As well as being a denial of basic suffrage for future Fijian electors, this measure was obviously designed to empower local chiefs. Other races, so-called general voters, would elect 8 representatives, while Rotumans would have 1. Of the 12 remaining seats, all would be filled by appointment: 8 by the president, 4 by the prime minister (both posts reserved for Fijians), with 1 seat among these being permanently reserved for the current commander of the country's security forces.

As outlined, the proposal was a blatant gerrymander that favored the dominating eastern chiefly establishment. By abolishing the former system of national election, where almost half of the candidates elected to the lower house of parliament were elected by "cross-voting" of electors of all races, the plan stymied any chance of a party winning a majority of seats by multiracial appeals. And for bodies such as the increasingly fragmented Taukei movement and Fijian Nationalist Party, which had previously campaigned with vigor against aspects of chiefly rule at election time, that opportunity was now curtailed.

Aware of these disquiets, and mindful that public discussion had been driven underground, the regime went through the motions of consultation by establishing a Constitution Inquiry and Advisory Committee headed by Colonel P. Manueli, a Rotuman and former commander of the Royal Fiji Military Force. While Ratu Sir Penaia Ganilau called on the public to cooperate with this body, he acknowledged that

soundings about constitutional acceptability had to realize there must be a just and honest appreciation of the special position of the indigenous Fijian community. While Ratu Sir Kamisese Mara expressed hope that free and open elections under the proposed plan would be possible before the end of 1989, Rabuka himself was far less forthcoming. For Dr Timoci Bavadra, ousted as prime minister by the May 1987 coup, the plan was undemocratic, discriminatory, and unacceptable.

Questions as to whether Rabuka was sincere about any effective return to the civil rule of law were sharpened by his June promulgation of sweeping security provisions by decree. This provided for immediate arrest, detention, and search without warrant—measures that were employed arbitrarily to silence and intimidate academics, lawyers, unionists, journalists, and dissenters. Leading public figures accorded such treatment included *Fiji Times* editor Vijendra Kumar, foreign minister in the ousted Bavadra government, Krishna Datt, and the unionist Mahendra Chaudhry. These sweeps were especially intense at mid-year following the discovery by Sydney customs authorities of an arms cache presumed destined for Lautoka, and the subsequent arrest by British police of an Indo-Fijian, M. R. Kahan, charged with implication in planning this shipment.

Civil rights abuses by the regime were criticized by Amnesty International and the Indian government, while Australia indicated that any further increase of aid to Fiji would remain conditional on progress toward a return to constitutional rule and

relaxation of the June security decree. Under these conditions, it was not surprising that of the 3200 people who left Fiji on a permanent basis during the first seven months of 1988, 86 percent were of Indian origin.

To combat sluggish economic performance, where inflation rose to 11 percent and where unemployment was at an official rate of 10 percent, the regime was active in attempting to attract foreign investment. This included plans for a tax-free zone permitting foreign enterprises with heavy export orientation generous long-term concessions, the establishment of foreign textile concerns using cheap local labor, and the sale of tourist and hotel assets to holdings such as the Japan-based Electrical Industrial Enterprises.

Because of retrenchment and a decline in imports, two devaluations of the Fiji dollar in 1987, and reasonably buoyant world sugar prices, the country's foreign exchange holdings remained healthy at over F\$200 million for most of 1988. Otherwise stringent regulations regarding Sabbath observance were relaxed to permit cane harvesting. For the longer term, and in respect of operations such as the tourist industry, the economic future of Fiji was seen as depending critically on whether continuing political uncertainty could be resolved and confidence restored.

Throughout Fiji during the year, social conditions on a daily basis remained outwardly calm, though such placidity was deceptive. Relations between the two major communities remained sullen and distant. While Dr Bavadra attempted to rebuild support for his Labour Party along multiracial

lines in west Viti Levu, his September claims that the power of prayer had facilitated an accommodation with a faction of the Taukei movement headed by the extremist Ratu Meli Vesikula received a mixed response among Indian leaders.

Although the University of the South Pacific maintained a full program throughout the year, Pacific Islands leaders conferring at their regular Forum meeting in September (where Fiji was kept off the formal agenda), expressed private concern at the university's longer term prospects. Within a climate of growing conservatism and fear of debate or criticism, such concern seemed justifiable. Finally, the year for Fiji was perhaps most fittingly epitomized by Rabuka's decision, on the eve of the republic's first anniversary, to promote himself forthwith to the rank of major general.

RODERIC ALLEY

## NEW CALEDONIA

A dramatic shift in the political situation of New Caledonia occurred during 1988 with the change of government in France from the conservative President Chirac to the second socialist presidency of François Mitterrand. Solidly conservative policies were in place in the territory following the September 1987 referendum, in which almost all of the 59 percent of the population that voted favored New Caledonia remaining part of France. Despite the strong opposition of the major Melanesian political coalition, the Front de Libération Nationale Kanake et Socialiste (FLNKS), the minister for overseas departments and territories, Bernard

Pons, had then introduced a new statute for New Caledonia. This promised to disadvantage the Kanaks, who had already lost much ground under the conservative regime, by considerably reducing the significance of the regional councils established under the previous socialist government, by withdrawing power from the territorial congress, by removing the distinct civil status of Melanesians in the territory, and by radically transforming Melanesian land rights.

Land issues resurfaced in February 1988, with a violent dispute over the location of a new hospital in the east coast town of Poindimie triggering the mobilization of opposition to the Pons statute (*IB*, March 1988, 20). FLNKS leaders vowed to boycott the upcoming regional elections and strongly opposed the scheduling of the national presidential elections on the same day, which they saw as a French government attempt to weaken the impact of the boycott. On 22 April, two days before the elections, a commando group of Kanaks made a dawn raid on the gendarmerie at Fayaoué on Ouvéa Island, killing four gendarmes and taking twenty-seven hostages. Some were released a few days later but others, along with police and officials who arrived subsequently, were held in a coral cave in the north of the island. Further violent incidents followed as the "muscular mobilization" sought by FLNKS leader Jean-Marie Tjibaou took different forms in different parts of the territory. The two rounds of the presidential elections went ahead, and Chirac, trailing Mitterrand in the first round, launched a military raid against the Kanak militants on the eve of the

second round. The remaining twenty-three hostages were rescued in the raid, but nineteen Kanak militants, including their leader, Alphonse Dianou, were killed. Kanak anger and resentment increased as evidence accumulated to suggest that some militants had been killed after their capture (*PIM*, June 1988, 8; *PR*, 28 April 1988, 1).

The reelection of Mitterrand and the installation of Michel Rocard as prime minister brought an end to hard-line confrontationist policies in New Caledonia, although tensions there remained high. The process of establishing dialogue with both pro- and anti-independence supporters began in May when Rocard sent a six-man mission to the territory. All but the extreme right-wing parties, the Front National (FN) and the Front Calédonien (FC), met with the mission (*IB*, June 1988, 6). Rocard achieved further diplomatic success in June when FLNKS leader Tjibaou, and Jacques Lafleur, leader of the loyalist Rassemblement Pour la Calédonie dans la République (RPCR), who had not met officially since 1983, both participated in talks in Paris. A provisional accord was signed and discussed extensively by the major factions in New Caledonia (*PIM*, Aug 1988, 18; *IB*, Aug 1988, 9; *PR*, 7 July 1988, 1). Delegations from FLNKS and RPCR flew to Paris for a second meeting in mid-August. With only minor amendments to the original proposal, the Matignon Accord was signed by representatives of both parties on 20 August 1988 (*PIM*, Oct 1988, 12; Connell 1988; Fraser 1988).

The Matignon Accord introduced a one-year period of direct rule from Paris, exercised through a new resident



high commissioner, that commenced on 14 July 1988. In an effort to put some political power back into Kanak hands, the territory was again divided into regions, two of which (the north and the Loyalty Islands) the FLNKS will control after the elections scheduled for mid-1989. The RPCR will dominate the third, the politically and economically important southern region, which includes the Noumea urban area, the Thio nickel-mining complex, and Yate hydroelectric dam, and the Isle of Pines tourist center. The reaction to this part of the proposal was cautious, with concern expressed, especially by Kanaks, that this new regional arrangement will lead eventually to partition. The accord also included provisions designed to redress existing economic imbalances, with three-quarters of new government investment destined to go directly to the two rural regions, and to specified development projects in the north of the main island. Also proposed were various training programs for Melanesians, the most significant of which would increase their representation in the higher echelons of the public service. These proposals were generally welcomed, although there were Kanaks who saw them as part of a move to increase the number of Melanesians willing to support the continuation of the French presence.

The Matignon Accord provides for a new referendum on independence to be held in 1998. By denying migrants arriving during the next decade a vote in the referendum, the accord effectively freezes the 1988 composition of the electorate. Nevertheless, there seems little prospect of a majority vote

for independence even then, not least because approximately 20 percent of Melanesians consistently vote in favor of continued ties with France. Concern was expressed within the FLNKS that independence was effectively being postponed for a minimum of ten years. One of the parties in the FLNKS coalition, Front Uni de Libération Kanake (FULK), eventually split ranks over the issue to oppose the accord. Despite opposition from this group as well as from the right-wing FC and FN parties, who are opposed to any notion of independence, the accord was eventually signed by the major political groupings and endorsed by 80 percent of voters in a national referendum conducted on 6 November (PR, 9 Nov 1988, 1).

However, the referendum results raised some questions about the plan's long-term prospects. Only 37 percent of French voters participated in the referendum, somewhat less than the 40 percent turnout that Prime Minister Rocard had argued would give it validity. In New Caledonia, the turnout was better (63 %) and the yes vote lower (57 %) than for the nation as a whole. Most of the no votes were cast in the European-dominated electorates in the south and west of the Grande Terre, while in the largely Kanak areas the yes vote averaged around 80 percent. The campaign by Yann Céline Uregei and his colleagues in FULK to persuade Kanaks to oppose the accord did not inflict much damage on FLNKS solidarity. But the RPCR campaign for a yes vote did receive a setback as significant numbers of its traditional supporters followed the lead of the FC and FN and other small parties and voted no. Whatever the longer-term prospects,

the acceptance of the Matignon Accord ushered in a period of political stability in a territory still numb from the violence in Ouvea.

The signing of the accord also brought a degree of relief in the Pacific region and beyond as this trouble spot appeared to be more firmly directed toward peaceful political evolution. The South Pacific Forum expressed its approval in September, relations between France and Australia improved, and the United Nations Decolonization Committee responded sympathetically to the new French initiative. Even Vanuatu, France's most persistent regional critic, expressed support. What this means, of course, is that the FLNKS is likely to receive less external support in the future as it continues to work for independence.

The economy was also boosted by the signing of the Matignon Accord. Indeed, 1988 was one of the best years for the economy this decade, with high nickel prices prompting talk of a new nickel boom. The prospects of increased foreign investment were good, not least in the tourist industry, which received more attention from Japanese tourists and investors, raising the possibility that a resort complex will eventually be developed at Tiaré. However, economic growth remained concentrated around Noumea. Even with the Matignon Accord, it will be extremely difficult to change the regional structure of development.

Independence for New Caledonia appears as unlikely now as in the past. The increased subsidies provided under the terms of the accord will make it difficult for the FLNKS to revitalize the agricultural sector and sustain visions

of an independent and socialist Kanaky. Furthermore, there is little evidence that France is now willing to abandon this distant relic of empire. Rocard has stressed that his ultimate aim is to ensure that New Caledonia remains part of France, a solution that is anathema to the FLNKS. The change in government in Paris, despite all the drama and acclaim, has effectively produced only subtle, if elegant, change. Nevertheless, the achievement of even a fragile peace represents a major success story in this difficult period for New Caledonia.

JOHN CONNELL

#### PAPUA NEW GUINEA

The opening of the vote of no-confidence season six months after a prime minister assumes office usually marks the beginning of a difficult period in Papua New Guinea politics. This was certainly the case in 1988 when the expiration of Prime Minister Paias Wingti's constitutional grace period precipitated a frenzy of political activity that culminated in his ouster in July. Things calmed down considerably in the second half of the year as Wingti's replacement, Rabbie Namaliu, a forty-one-year-old Tolai from East New Britain, settled into the difficult business of keeping a coalition government together. These events raised more starkly than before questions about the stability of the system of parliamentary democracy established in Papua New Guinea at independence in 1975.

Prime Minister Wingti entered 1988 with coalition management problems that centered on former defense commander Ted Diro and his supporters in

the Papua-based People's Action Party, the second largest of the five coalition partners. Diro's aspirations to be deputy prime minister had been put on hold after the 1987 elections, pending the outcome of an official inquiry into the forest industry—including allegations of his gross financial misconduct when he was minister for forests in the first Wingti government. Pressure to restore Diro to cabinet rank increased in late January 1988 after the District Court acquitted him of five perjury charges arising from his testimony before the commission, and some Port Moresby rascal gangs tried to force the issue with threats of violence (*TPNG*, 28 Jan–3 Feb 1988, 1; 18–24 Feb 1988, 7). However, the court's decision, upheld by the Supreme Court in early August, was a technical one based on the surprising absence of a perjury clause in the Commission of Inquiry Act, and by no means cleared Diro's name. The allegation that Diro had received a 1987 election campaign contribution of US\$139,000 from the then head of the Indonesian security forces, General Murdani, was confirmed by Wingti after meeting with Murdani in Indonesia in January 1988 (*TPNG*, 28 Jan–3 Feb 1988, 2).

It was clear early in 1988 that the crucial Papuan bloc in the government was split between support for Diro and loyalty to the prime minister. But Wingti employed some innovative tactics in his fight to survive the vote of no-confidence expected in April. Early in March, with no more government ministries available to attract or retain supporters, he unveiled plans to put backbench MPs in charge of twenty-seven statutory bodies (*TPNG*, 10–16

March 1988, 3). In April, some two million kina were diverted from the Civic Action Programme to supplement existing "slush funds" available to individual MPs for use in their constituencies (*TPNG*, 14–20 April 1988, 3). Then on 11 April, less than three hours into its first 1988 session, and after the motion of no-confidence had been introduced, Parliament was abruptly adjourned by the government. On the same day Wingti reluctantly appointed Diro to the cabinet as part of a last-ditch attempt to retain the support of the People's Action Party and save his crumbling government (*PR*, 14 April 1988, 1).

Opposition cries of foul play were silenced by the announcement on 20 April of a Grand Coalition of National Stability, based on Wingti's People's Democratic Movement and opposition leader Michael Somare's Pangu Pati. The move was initiated by Wingti in an apparent bid to rid himself of Diro and the People's Action Party, but immediately fell into disarray as both sides scrambled for ministries and attempted to include their allies in the deal (*PR*, 28 April 1988, 4). The crisis deepened in late May when another attempt at a grand coalition of the two parties failed. This time Rabbie Namaliu, who had replaced Somare as Pangu leader the previous week, signed the memorandum of understanding on behalf of the opposition on 26 May (*PR*, 26 May 1988, 3). The "irrevocable commitment" to stay together until the 1992 elections lasted less than a week. Declaring the agreement void, ostensibly because Somare had turned down the foreign affairs portfolio, Wingti announced a "revitalized" coalition

government that excluded both Pangu and Ted Diro. This was made possible by bringing Michael Mel and his Highlands-based National Party into the government, while retaining the support of most of Diro's colleagues in the People's Action Party (*PR*, 9 June 1988, 1).

Wingti's claimed support of more than seventy MPs was eroding quickly as Parliament reconvened on 27 June. At first, the unrest was most apparent among Papuan ministers such as Allan Ebu, Galeva Kwarara, and Akoka Doi, who had been pushed aside to accommodate the Highlands members of the new coalition. But the defection of Paul Pora and four of his fellow Highlanders in the newly recruited National Party proved to be the crucial factor in Wingti's defeat. On 4 July the eleventh vote of no-confidence since 1978 was carried in Parliament 58 to 50, and Papua New Guinea's fourth prime minister, Rabbie Namaliu, set about forming a government of "reconciliation, reconstruction and unity" (*PIM*, Aug 1988, 10).

Namaliu, who holds a master's degree from a Canadian university, was first elected to Parliament in 1982, and served as foreign minister in the 1982–1985 Somare government. In July 1988 he announced a six-party coalition government consisting of Pangu (13 ministries), People's Action Party (4 ministries), Papua Party (1 ministry), Melanesian Alliance (4 ministries), National Party (3 ministries), and League for National Advancement (1 ministry). Two independents also received cabinet positions, making a total of 28, the maximum allowed under the constitution (*PR*, 21 July

1988, 3–4). The distribution of portfolios reflected Namaliu's attempt to balance regional interests, with each of the nineteen provinces getting a ministry, while simultaneously rewarding those who had defected from Wingti's coalition. Wingti's foreign minister, Akoka Doi, became deputy prime minister, while Paul Pora was rewarded with the key finance and planning ministry. Michael Somare reversed his grand coalition decision of late June and accepted the position of minister for foreign affairs.

The prime minister's statement of early August indicated some new emphases in government policy, but foreshadowed no radical change of direction for Papua New Guinea. Some of the new priorities were reflected in the November budget, with more resources allocated for education and to combat the serious "law and order" problem. However, Namaliu had inherited his own law and order problem in the form of an unrepentant Ted Diro, who expects to become deputy prime minister if and when he is cleared of the criminal charges pending against him. The stabbing attack by Port Moresby rascals on Judge Tos Barnett, who headed the commission of inquiry that uncovered that evidence against Diro, added an ominous new dimension to the whole affair in early September (*PIM*, Oct 1988, 10).

As expected, Namaliu moved fast to increase to thirty months the period of immunity from no-confidence votes afforded to incoming prime ministers. The proposed constitutional amendment was approved by cabinet early in October, but had yet to begin its lengthy journey through Parliament

at year's end (*PR*, 13 Oct 1988, 1). Whether this proposal, or some variation of it, eventually achieves the necessary two-thirds-majority support in two separate sessions of Parliament remains to be seen. Certainly it was not in place by the time Namaliu's own six-month honeymoon with Parliament finished in January 1989.

The biggest loser in the mid-year maneuvering for power was the People's Democratic Movement, which suffered a further setback when its general secretary, Gabriel Ramoi, and a former police minister, Peter Kuman, resigned in August to launch the Social Democratic Party. Their central policy plank was restrictive foreign investment policy that would allow a class of Papua New Guinean "captains of industry" to develop (*TPNG*, 4-10 Aug 1988, 2). Another opposition party launched in 1988 was the Melanesian United Front headed by Utula Samana, former leader of the Morobe Independent Group and public service minister in the Wingti government, who advocated, among other things, replacing the nineteen provincial governments with seven states (*TPNG*, 14-20 July 1988, 1). The long-established People's Progress Party received a boost in July when its founder, former Prime Minister Julius Chan, was acquitted by the leadership tribunal of charges arising from the Placer share issue investigation (*TPNG*, 7-13 July 1988, 3). However, like other members of the opposition, Chan had to decide at the end of 1988 whether he was prepared to sit out the remaining three-and-a-half years of his term on the opposition benches. The alternative was to mount a bid for government power via a vote of no-confidence after 4 January 1989.

On the economic front, the rates of investment and growth remained sluggish in all sectors except mining during 1988. Exploration for minerals reached boom proportions with some one-hundred-fifty companies spending about 150 million kina searching for gold, oil, and gas. Development work continued at several major gold deposits, and a spectacular gold rush occurred on the slopes of Mount Kare in Enga Province, with local alluvial miners and assorted entrepreneurs vying for quick fortunes (*IB*, Oct 1988, 6).

Papua New Guinea's headlong rush toward a mining bonanza faltered somewhat in 1988 as domestic groups disagreed about the appropriate distribution of the benefits of mining. In late February production ceased for several days at the giant Ok Tedi copper and gold mine after local people rampaged through company housing facilities at Tabubil, demanding the repatriation of squatters from other provinces and more local participation in the venture (*TPNG*, 3-9 March 1988, 7). Industrial problems, centering on union demands for better housing facilities, sparked more rioting and forced longer closures in July and August (*TPNG*, 29 Sept-5 Oct 1988, 1,2).

The unrest at the sixteen-year-old Bougainville copper and gold mine in North Solomons Province was more serious. A long-standing dispute between the mine's multinational operator, Bougainville Copper Limited, and local landowners was revived in March when the Panguna Landowners Association demanded a massive increase in levels of compensation. In May, roadblocks and a sit-in protest closed the mine for six hours (*TPNG*, 19-25 May 1988, 4). In August, and again in early

September, the group warned that national government responses to its demands were unacceptable and threatened further action against the mine (*TPNG*, 4–10 Aug 1988, 5). The threat was realized in late November and December when buildings were burned, personnel and equipment stoned, and facilities bombed with stolen explosives. Squads of police were flown in and issued with shoot-to-kill orders as the violence escalated (*PR*, 8 Dec 1988, 1). Production resumed later in the month after the protagonists agreed to negotiate, but a long-term settlement was not in sight as 1988 drew to a close.

The year was generally good for Papua New Guinea's foreign relations. The Matignon Accord took some of the steam out of the New Caledonia decolonization issue, allowing relations with France to improve. There were indications that the Namaliu government would place less emphasis on the Melanesian Spearhead grouping than had its predecessors, and a decision was made to allow the Soviets to open their first resident mission in the Pacific Islands. However, relations with Indonesia were soured by a series of incidents on the Irian Jaya border, including one in July when Papua New Guinea and Indonesian soldiers exchanged fire. Nevertheless, Foreign Minister Somare returned from a brief trip to Jakarta in early November apparently reassured that good relations had been restored.

It was a particularly busy year for the Defence Force, which got involved in hostile encounters with both Indonesian security forces and the Papua New Guinea government. In February, Foreign Minister Doi lambasted the Aus-

tralian media for suggesting that Ted Diro, sacked army chief Tony Huai, and other disgruntled Papuans were plotting a coup (*TPNG*, 4–10 Feb 1988, 3). Early in June there was a brief standoff of another sort between Wingti's ailing government and the army, when two planeloads of armed soldiers took over the Lae airport ordered closed by the civil aviation minister, Hugo Berghuser (*TPNG*, 9–15 June 1988, 3). Meanwhile, the cooperative arrangement negotiated with the US military in 1987 moved into high gear in 1988. Officials and military officers met several times during the year to exchange information and discuss training requirements. In November, American army engineers arrived to start the first of several planned civic construction projects in North Solomons Province (*TPNG*, 1–7 Dec 1988, 4). The Australians did their part for regional security by earmarking one million kina to upgrade the naval facilities on Manus Island, supplying additional patrol boats, and agreeing to support the development of a helicopter capability for border patrol work (*Backgrounder*, 9 Nov 1988, iv).

TERENCE WESLEY-SMITH

### SOLOMON ISLANDS

The year 1988, marking the tenth anniversary of Solomon Islands independence, was simultaneously exciting and difficult. Among the events that reflected political and social change in the islands were the retirement of Sir Baddeley Devesi as governor general, and the inauguration of his successor, Sir George Lepping. The Americans upgraded their consulate in Honiara to



an embassy, and several new institutions, including the National Agricultural Training Institute at Fote, Malaita, and the Japanese-funded Malaria Training and Research Centre in Honiara, were opened in the service of economic development. The year was difficult largely because of concerns for the state of the economy—especially the growing deficit in the government's recurrent budget—and its effects; debates over whether the form of government should be changed; and charges of corruption leveled against the government of Ezekiel Alebua.

The weak economy and budget constraints have resulted in the general deterioration of public facilities, including schools, in recent years, a situation made more poignant by the revelation in late 1987 of a major scandal involving the misuse of millions of dollars of educational development funds. Among the top-ranking government and business officials implicated in the affair were former Prime Minister Sir Peter Kenilorea (in 1988 deputy prime minister and foreign affairs minister), and then Minister of Education Danny Philip (*TPNG*, 10–16 March 1988, 1–2). Despite attempts by the Alebua government to stall the proceedings because of their likely impact on the national elections scheduled for late 1988, an official inquiry into the matter headed by Michael Lodge finally got underway in early March.

The affair centered on a 1981 low-interest loan of A\$9.8 million provided by the World Bank to fund a five-year project designed to dramatically upgrade curriculum, buildings, and equipment in primary schools. However, according to the Solomon Islands

National Teachers' Association (SINTA), which insisted on the inquiry, many of the classrooms were never built or shoddily built; textbooks were purchased overseas instead of locally; expatriates were hired to prepare curriculum materials rather than to train local curriculum writers; school materials were purchased at several times their normal price from Honiara Stationery Supplies through the intervention of then Minister of Education Danny Philip; and about A\$3.4 million of the funds were unaccounted for. Large consulting fees were paid to Australians, particularly to a Dr Rod Treyvaud, who has been implicated in similar scandals elsewhere. His company, South Pacific Development Associates (SPDA), whose directors included Sir Peter and several other government officials, had been awarded the contract to administer the funds.

The inquiry panel eventually produced a 111-page report that was presented to Cabinet in October 1988 (*SN*, 10 Oct 1988, 1). However, this and other alleged scandals, together with mounting dissatisfaction over prevailing economic and social conditions, prompted charges of government ineffectiveness. Indeed, the Alebua government was obliged to deal with two protest demonstrations as well as a motion of no confidence in Parliament during 1988.

On 22 March, between six hundred and fifteen hundred people (newspaper accounts varied) led by Alvin Wako, member of the Honiara Town Council for Vura Ward, marched down Mendana Avenue to Parliament. The group presented a petition to Alebua that alleged government corruption and

secret French aid. It also criticized the government for its financial practices and handling of certain development projects (SN, 25 March 1988, 1). Alebua denied the allegations in the government-owned newspaper, but not until May (SN, 13 May 1988, 4-5). Two days later, another peaceful demonstration by an estimated one thousand Guadalcanal people and their supporters was held outside the high court building. Concerned about recent brutal murders of Guadalcanal people by in-migrants, the demonstrators petitioned the government to repatriate unemployed persons from other provinces living illegally on Guadalcanal. They wanted all alienated lands on Guadalcanal, including Honiara, taken over by the Guadalcanal Provincial Government, squatters removed from traditional land, and customary land registered to prevent individual sale. The group also insisted that the government abolish the present system of provincial government in favor of a federal system that would give each province autonomy to run its own affairs (SN, 31 March 1988, 3).

The government withstood several calls for the dissolution of Parliament during the year and survived a vote of no confidence by one vote on 31 March. Allan Qurusu, MP for North Choiseul and parliamentary leader of the Solomon Ano Sasafenua party (SAS), authored the motion, charging corruption, lack of control over the Public Service, investment policies favoring foreigners, low morale among cabinet ministers, and economic policies that hurt domestic consumers. Had the no-confidence motion succeeded, former Prime Minister Solo-

mon Mamaloni stood ready to form a caretaker government (SN, 8 April 1988, 1-2).

One victim of the challenge to the government was Minister of Natural Resources Danny Philip, who was sacked by Alebua after he failed to show up for the parliamentary vote (SS, 8 April 1988, 1). In his press statement of 5 April, Alebua said that he was under "considerable pressure from his Constituency and his Party" to dismiss Philip, who had been implicated in the World Bank loan scandal (SN, 15 April 1988, 1).

Reviews of the Constitution and system of government were among the most important tasks undertaken by the Solomons government during the year. A variety of issues prompted these investigations. First, there is strong support in some areas for splitting up existing provinces into two or more smaller provinces. For example, Choiseul leaders have for some time wished to break away from Western Province to form their own province (see Rilifia 1988, 9). Second, most provincial leaders favor further decentralization of political power to provincial governments, although they disagree strongly about the appropriate distribution of other government-controlled resources. Third, traditional chiefs and elders have periodically argued for the "restoration and recognition of the roles once held by traditional leaders" (SN, 27 May 1988, 3). The difficulties associated with this quest for recognition became apparent in August when traditional leaders were not invited to attend the Provincial Government Conference (SS, 9 Sept 1988, 3).

At that conference the Provincial

Government Review White Paper 1988, which had been endorsed by Parliament in April, was presented and discussed by provincial premiers and area council presidents. This was one of two reports recommending changes to the structure of government that the Solomons government had before it in 1988. The other was the three-volume, 800-page report of the Constitutional Review Committee, led by former Prime Minister Solomon Mamaloni, submitted to the prime minister in early February 1988 after eleven months of study (Solomon Islands 1988a). This made two distinct sets of recommendations without indicating a preference for either. Under the first plan, the Solomons would become a "federal republic" consisting of an unspecified number of states of equal status, each with considerable autonomy. Customary law and leadership would be given prominence, and the paramountcy of indigenous Solomon Islanders vis-à-vis other citizens would be established. A president would replace the queen as head of state and would enjoy significantly more power than the governor-general does under the existing constitution. The second plan was much less ambitious, calling for retention of the present unitary form of government, but with a further decentralization of power to the provinces. More significant was the proposal for a bicameral legislature, with senators appointed to a new upper house. A president with largely ceremonial functions would replace the governor-general. By year's end, no decision had been made regarding which, if any, of these options would be adopted.

The Solomon Islands faces many

challenges, including a rapidly growing population, a sluggish economy, the lowest educational levels in the Pacific Islands (Crocombe 1988, 12), pressure to restructure national and local governments, and the need for local development. The urgency of these problems was more widely recognized in 1988 than in previous years and, more important, the political will to do something about them began to emerge. This was especially evident in the area of national human resources planning, where activity reached a level in 1988 that would have been unthinkable even a few years ago. The spur here was undoubtedly the release of the results of the 1986 census that showed population growing at 3.5 percent or more annually, one of the highest such rates in the world, and revealed that more than fifty percent of the population is under the age of sixteen. The situation was discussed at a high-level seminar in Honiara in June, to which Andrew Nori, minister of home affairs and provincial government, delivered a preliminary population planning policy statement (Solomon Islands 1988b). In July, Prime Minister Alebua dwelt on population issues in his speech marking the tenth anniversary celebration (SN, 8 July 1988, 8-9), and in September a second high-level workshop on population issues and policy development was held in Honiara to discuss a draft national population policy (Solomon Islands 1988c). In October, Governor-General Sir George Lepping added his endorsement of the need for human resource development in a speech to Parliament (SN, 10 Oct 1988, 4-5).

In the international arena, the Solomons joined Papua New Guinea and

Vanuatu in signing the Principles of Cooperation that formalized their relations as members of the Melanesian Spearhead group. Under the terms of the document, signed in Vila on 14 March, spearhead members agreed to conduct cultural exchanges; to promote local and regional culture; to undertake economic and technical cooperation; to work toward arms control, disarmament, and the reduction of international tensions; and to limit super power influence in the region (SN, 18 March 1988, 1-2).

DAVID WELCHMAN GECEO

## VANUATU

What to many outsiders has been the unpredictable course of Vanuatu politics continued on its turbulent way through much of 1988. The year was marked by a bitter leadership struggle between Prime Minister Father Walter Lini and Barak Sope, the two most prominent individuals in the ruling Vanua'aku Pati (VP). At year's end, Lini was the apparent victor with Sope, four of his supporters, and the young republic's president all in police custody facing serious charges.

The leadership struggle began at the end of 1987, a year of difficulties that included a devastating hurricane, growing external concern over Libyan and Soviet influence, an apparent loss of confidence in the country's financial center, a decline in the price of copra, a slump in tourism, and a cut in French aid in retaliation for Vanuatu's support for the Kanak independence struggle in New Caledonia. Despite these problems, and the effects of a serious stroke, Walter Lini managed to lead

the VP to a solid victory in the general elections of November 1987, thus consolidating the political control he had exercised since the country achieved independence in 1980.

However, the VP suffered some loss of support in the 1987 elections. Although its members won 26 of the 46 seats in Parliament, the predominantly francophone Union of Moderate Parties (UMP), led by Maxime Carlot, captured 42 percent of the vote, significantly more than the 33 percent it had attracted in the 1979 elections. Furthermore, for the first time in three victorious elections, Lini faced a challenge to his leadership of the VP. Barak Sope, longtime secretary-general of the party and member of Parliament for the capital, Port Vila, was left out of the new nine-member cabinet after an unsuccessful bid to replace Lini (*PIM*, Jan 1988, 13-15). Sope was eventually appointed minister for transport, tourism, and public works in January 1988, but the resultant political peace proved short-lived.

On 16 May an antigovernment demonstration in Port Vila erupted into a major riot that caused extensive damage to city shops and resulted in the death of one man (*IB*, June 1988, 13; *PR*, 26 May 1988, 1, 3). The protest was a response to the abolition by the minister for lands of the Vila Urban Land Corporation (VULCAN), which had managed urban land in Vila on behalf of the government and the landowners since independence. The abolition was justified by the government on grounds of cost efficiency and suspected financial irregularities, but it was widely perceived to be primarily a political move aimed at Barak Sope, a

VULCAN board member, who used the corporation as a power base. Fearing further violence that the small Vanuatu Mobile Force would be unable to control, Father Lini sought and received guarantees of military support from Australia, New Zealand, and Papua New Guinea. Barak Sope was sacked from the cabinet, and further violence followed, with Sope threatening to bring down the VP government unless there was a change in its land policy. He argued that the appropriation of VULCAN was "the way communist governments work," and rebuked the Australian government for intervening in domestic political issues by, among other things, flying in riot control equipment (*PIM*, July 1988, 10-12).

A month later Father Lini moved to have Sope and four other VP members expelled from Parliament after they had joined sixteen members of the opposition in a no-confidence motion against the government. In addition, eighteen Melanesian exiles from the Indonesian province of Irian Jaya, including members of the Black Brothers rock band, were ordered to leave the country because of their association with Sope. Initially Lini could not raise a quorum to expel the rebel MPs, but late in July some twenty-three members, still only half of the full house, voted to expel Sope and four of his supporters. Later the same week, the entire opposition UMP was expelled on the grounds that its members had refused to take their places in Parliament on three consecutive days. These decisions precipitated a constitutional crisis and, in the absence of Vanuatu's chief justice, the chief justice of the Solomon Islands was asked to hear the

cases brought before the Supreme Court. Justice Gordon Ward found all the sackings to be lawful, despite the lack of a quorum in Parliament when the first group was expelled (*PR*, 4 Aug 1988, 1).

Domestic discontent resurfaced in October when the Vanuatu Appeals Court restored Sope and his four supporters to their seats in Parliament but upheld the dismissal of the eighteen opposition members of the UMP. In the same month, the Vanua'aku Pati Congress expelled 128 party members, allegedly for their support of the newly formed Melanesian Progressive Pati (MPP) led by Barak Sope (*IB*, Dec 1988, 28). By-elections were held on 12 December to fill the seats formerly held by the expelled UMP members of Parliament, but were boycotted by the UMP and Sope's MPP, whose members had resigned from their newly restored parliamentary seats early in November. The VP won 14 of the seats, 6 unopposed, giving them control of 35 of the 46 seats in Parliament. The small Tan Union party won 3, and 1 seat remained vacant for want of candidates.

A dramatic new dimension was added to the conflict late in November when Vanuatu's president, Ati George Sokomanu, whose constitutional role is largely ceremonial, warned that Vanuatu was in danger of becoming a one-party state and called for an early general election. Lini angrily rejected both suggestions, but on 16 December Sokomanu declared Parliament dissolved and two days later swore in a five-man interim government led by his cousin, Barak Sope. The Supreme Court quickly judged these actions ille-

gal, and proceedings to dismiss Sokomanu from office were initiated in Parliament. On 20 December Sope and his four colleagues in the abortive interim government were formally charged with sedition. The following day President Sokomanu was arrested and charged with inciting members of the police and mobile force to mutiny, a charge that carries a maximum sentence of life imprisonment. However, until there is an effective opposition in Parliament, Lini's victory must be regarded as a hollow one.

The political disturbances of 1988 did little to help Vanuatu's ailing economy. The expected growth of the tax-haven-based financial sector, previously the only thriving source of income for Vanuatu, failed to materialize, and the country's other main income earners, copra and tourism, declined. The trade deficit increased, domestic and foreign investment were hesitant, unemployment increased, particularly in Port Vila, and infrastructure deteriorated, especially in the transport sector. Although foreign aid and European Economic Community copra price supports helped reduce the balance of trade problem, the general economic decline further weakened the position of the Vanua'aku Pati.

The combination of economic and political crisis led to a mellowing of some of the more radical strands of Vanuatu's foreign policy. The one-year fishing agreement with the Soviet Union lapsed early in 1988 and negotiators failed to agree on terms for its renewal. There was little evidence of any dealings with Libya during the year. Most dramatically, Barak Sope became less critical of France following

his alliance with the UMP opposition, and the government muted its attacks on French policy in New Caledonia after the Matignon Accord was signed in August. All of Vanuatu's political leaders expressed a desire to normalize relations with France and to end the animosity arising from the expulsion of the French ambassador in October 1987 and the subsequent abrupt decline in French aid. Vanuatu's foreign policy thus became much more like those of other members of the Melanesian Spearhead group during 1988.

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#### ABBREVIATIONS

IB	<i>Islands Business</i> , monthly, Suva
PIM	<i>Pacific Islands Monthly</i> , Suva
PR	<i>Pacific Report</i> , fortnightly, Canberra
SN	<i>Solomon Nius</i> , weekly, Government Information Service, Honiara
SS	<i>Solomon Star</i> , weekly, Honiara
TPNG	<i>The Times of Papua New Guinea</i> , weekly, Port Moresby

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