

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