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## Fiji

The year 1995 promised to be a decisive one for Fiji. It marked the twenty-fifth anniversary of independence, a historic milestone that symbolized both the end of an era and a new beginning. It was also the year when the process of reviewing the 1990 constitution got underway, an exercise that could profoundly shape Fiji's future. Instead, 1995 was a year of missed opportunities. Pressing political, economic, and social issues were left unresolved, while the nation and its leaders remained distracted by financial scandals, leadership squabbles, and racial discord.

The constitutional review dominated the political landscape in 1995. The 1990 constitution had mandated that a review be undertaken by the end of 1997, and in October 1994 it was decided that the review should be carried out by a three-person commission. Some dispute occurred between the government and the opposition over whether the chair of the commission should be from overseas or a local, but this was resolved by the end of 1994 in favor of an overseas chair. However, in January 1995 a new disagreement emerged over the selection of the chair, with the government insisting that cabinet make the choice. The opposition maintained that it should be a consensus decision made by the parliamen-

tary select committee on the constitution. These differences were eventually ironed out, and in March President Ratu Sir Kamisese Mara announced the appointment of a three-member commission, comprising a chairman, a government nominee, and an opposition nominee. The choice for chairman was Sir Paul Reeves, New Zealand's first Māori governor general and Anglican archbishop. The government's nominee was long-serving Minister Tomasi Vakatora, and that of the opposition was historian Dr Brij Lal.

Having achieved its long-awaited goal of an independent constitutional commission, the mood of the opposition was one of undisguised relief and optimism. National Federation Party Leader Jai Ram Reddy confidently declared that "the constitution will be reviewed for the better" (*TR*, June 1995). Both sides could claim credit for showing some flexibility in negotiating the structure and composition of the commission.

In June the Constitutional Review Commission was sworn in and began hearing submissions from the public in July. These hearings, held throughout the country, continued until October. In many ways this was a period of unprecedented political debate and political engagement by the people of Fiji. Approximately four hundred seventy written and oral submissions were presented by a broad cross section of individuals, groups, and organizations. For some it was a cathartic experience, an opportunity to express pent-up

grievances, hopes, and aspirations. Predictably, the submissions reflected the diversity of opinion in the country, particularly between the two major races, and revealed the depth of racial division, mistrust, and ignorance of other communities.

The National Federation and Labour parties presented a joint submission to the commission that addressed the common concerns of the Indian community. Among its recommendations was a call for the president to be elected by parliament from nominees of the Great Council of Chiefs, and for the vice president to be of a different race. It also advocated proportional representation in cabinet, that the Senate be abolished, and that the Senate's veto powers go to the Great Council of Chiefs. Together with several other political parties who made submissions, including the Fijian Association Party and the General Voters Party, it endorsed a move away from the communal electoral system of the 1990 constitution, which they claimed only served to encourage racial polarization and racially based parties. The General Voters Party called for the removal of the constitutional provision that the prime minister be an ethnic Fijian, and for the inclusion of other ethnic groups in cabinet.

The submission of the ruling *Soqosoqo ni Vakavulewa ni Taukei* party (SVT), the last to be received by the commission, caused the most shockwaves. Although reflecting the general tone of Fijian submissions, the extent to which the submission defended the 1990 constitution and its principle that "political control must

reside in indigenous Fijian hands" caught many by surprise. The SVT submission left no doubt where the party stood on the purpose of the constitutional review. It was not to be "a popular test of, or a popular referendum on, the general acceptability of the 1990 constitution." The SVT called for increasing the number of seats in parliament from 70 to 90 (58 to Fijians, 20 to Indians, 4 to Muslims, and the remainder to other ethnic groups). In what some took to be a sign of tension between the government and President Ratu Mara, the SVT advocated curtailing the emergency powers vested in the president under the 1990 constitution, arguing that these should be "exercised only at the advice of the Prime Minister and Cabinet."

The SVT submission painted a picture of suspicion and discord between the races, commenting that "it has probably never occurred to Indians that Fijians do not trust them politically." NFP leader Jai Ram Reddy voiced the general outrage and disappointment of his community. Describing it as "irresponsible," he said the document offered "no realistic basis for dialogue and negotiation" (*TR*, Nov 1995). The mood of optimism that prevailed at the start of the commission's work had all but dissipated by the time submissions ended.

The SVT submission was presented on 10 October, Fiji's independence day. It cast a shadow over the twenty-fifth anniversary celebrations and left an ominous cloud over the future of the commission's report. How would the report, due to be handed to the president and tabled in parliament in June 1996, be received if it deviated from

the recommendations of the SVT? What would its fate be? Prime Minister Rabuka attempted to give some assurances. "The Commission will make an independent evaluation of all individual submissions and hopefully produce a report to parliament that will be a good realistic basis for dialogue, negotiation and compromise between the political parties" (*FT*, 7 Oct 1995). As past experience has shown, however, these vague sentiments can mean different things to different people.

The prime minister's own views of the Constitutional Review Commission were, as with many of his utterances, fraught with ambiguity. In July, soon after the hearings began, he claimed that "we do not need a Sir Paul Reeves, Tomasi Vakatora or Brij Lal to sit here and judge what is good for Fiji" (*TR*, Aug 1995). He later defended the SVT submission on the grounds that its views were those of the "ordinary Fijian people" and that "even though unpalatable to some" they should not be "swept under the carpet" (*FT*, 7 Oct 1995). By year's end he was accusing critics of the 1990 constitution of orchestrating a "well prepared plan to destabilize Fiji if political demands are not met" (*TR*, Dec 1995).

While the commission focused on future constitutional arrangements for Fiji, there were constant reminders throughout 1995 of the interrelationship between politics and economics. Economic concern centered on the urgent need to generate investment and produce jobs, especially for the estimated thirteen thousand annual school leavers. The theme of the National Economic Summit held in May was

"Investment for Growth and Jobs," and the reports prepared for the summit by various committees highlighted the need for major reforms as well as the resolution of key political issues (the constitution in particular). In his address to the summit, the prime minister appeared to recognize this when he said, "In many ways we are a community divided. While these divisions persist, our progress will be held back" (*TR*, June 1995). The message was reiterated by reports on the Fiji economy prepared by the International Monetary Fund and the World Bank.

Despite numerous reports, recommendations, and the government's own rhetoric, policies and action were not forthcoming. There was a general inability or lack of will to confront political obstacles, whether dissent in the government's own ranks or opposition from grassroots supporters and interest groups. This was evident early in the year when the government's attempt to lift the Sunday Observance decree, which had been targeted by the business community as an obstacle to commercial activity, was blocked by Methodist opposition. About twelve thousand members of the fundamentalist-led church marched throughout Fiji in protest at what was seen as a betrayal of the government's election promise not to revoke the decree. The issue was finally put to rest in the second half of the year, once the Great Council of Chiefs decided at its July meeting that the ban be partly relaxed. Then in August a new president of the Methodist Church was elected, a moderate intellectual who had openly criticized the politicization of the church under former head Manasa Lasaro,

and who did not believe in the biblical basis of the Sunday ban. This paved the way for general acceptance by the church of a repeal of the decree.

The future of land leases, due to begin expiring in 1997, loomed as the government's greatest and perhaps most perilous challenge—a challenge that the government seemed slow to take up. Some clarification of the future status of the five thousand leases up for renewal between 1997 and 2005 under the terms of the Agricultural Landlord and Tenant Act was anticipated in 1995. At the start of the year, the Native Land Trust Board completed a pilot survey of leases due for renewal in 1997. This was part of a two-pronged approach toward the review of the Act agreed to by parliament in October 1994: that the legislation be reviewed in one exercise, and that the leases be reviewed separately by the Native Land Trust Board. Despite assurances by the government and the board that the number of tenants able to renew leases would be larger than expected, that land would be found for resettlement for those not renewed, and that compensation would be paid to farmers forced to move, many questions remained unanswered. How many leases would be renewed? Where would farmers be resettled, and what would they plant, given that new cane areas were unlikely to be opened up? How much compensation would they receive, and where would this money come from? Given these imponderables, the minister for agriculture's claim in parliament at the end of the year that “the position of leases which expire between 1998 and 2024 will be known by the

end of December 1996” (*FT*, 2 Dec 1995) seemed hardly reassuring, particularly in light of the SVT's submission to the Constitutional Review Commission, which called for the issue of lease renewals to be left up to the individual tenant and landlord. According to sugar industry officials, such an approach would be a recipe for disaster as it would leave the future of the cane leases to the whim of landowners. It was seen as an example of the SVT's pandering to grassroots constituents.

The government's inability to get economic policy implemented was further illustrated by the fate of the Public Enterprise Bill, a cornerstone of its economic reform program. With this bill, the government was set to proceed with the privatization of statutory bodies and departments. However, backbench opposition, led by outspoken former minister Militoni Leweniqila, as well as opposition from the National Federation and Labour parties, meant the bill failed to get the numbers in the House, and was sent back to a parliamentary select committee for review. The main criticism of the bill was that it concentrated too much power in the hands of one minister (its architect and key Rabuka ally, Minister for Trade and Commerce Jim Ah Koy). Leweniqila, who had been relegated to the backbench earlier in the year after falling out with the prime minister over a Wage Order Act, was a frequent thorn in the government's side. He chose the time of the handing-down of the budget in November to mount another challenge, claiming “it is time we had a change of government” (*TR*, Dec

1995). His threat to defeat the budget and bring down the government, as occurred in 1993, proved short-lived. He was quickly brought back into the party fold, and Rabuka assured him there were “no hard feelings” (*FT*, 17 Nov 1995). However, the incident underscored what appeared to be an ongoing concern among some of the SVT’s parliamentarians about Rabuka’s leadership style, and in particular his lack of consultation over policy.

The November budget, which should have been a high point for the government in terms of setting out its economic agenda for the year ahead, proved yet another disappointment, in part because it contained little in the way of strategies for stimulating the economy. It was in many respects a “standstill” budget. The budget itself was also overshadowed by political controversy that distracted attention from more substantial economic debate. In addition to Leweniqila’s threats, there was acrimony between the government and the opposition over the question of whether the NFP and Labour leaders would be briefed on the budget before it was presented to parliament. The prime minister had suggested that he favored some consultation, but NFP leader Jai Ram Reddy was vocal in his skepticism. “What assurances will we get that our suggestions will be considered in the final budget? The last straw was the SVT submission. The opposition simply doesn’t trust Rabuka any more” (*FT*, 6 Nov 1995). Rabuka subsequently denied that he ever intended to brief the opposition on the budget.

The other controversy overshadowing the budget was the fate of the gov-

ernment-owned National Bank of Fiji. In a year that saw a number of financial scandals engulf government bodies, the National Bank of Fiji disaster was by far the most spectacular. It had first come to light in June, when Finance Minister Berenado Vunibobo informed cabinet that the bank was “technically insolvent,” with bad or doubtful loans of between F\$90 and \$120 million (20–30 percent of its total loan portfolio). These findings were presented in the Aidney-Dickson audit report commissioned by the finance minister. Another report was prepared for the government by the World Bank.

In an effort to preempt media publicity, the government went public with the bank’s problems and also announced a plan of action to rehabilitate it. The government committed “full financial support” to the bank, announced the appointment of a new board chairman (the general manager of the Fiji National Provident Fund), and measures to restructure and streamline operations. A new expatriate team would also be appointed to manage the bank.

While the financial scale of the disaster was itself a severe jolt to the country, the political repercussions dominated. Questions about the role (and propriety) of government ministers were soon being asked by both the media and opposition parties. Why had the government turned a blind eye to the bank’s problem, which had become evident as early as 1991? To what extent was the government responsible for the mess? It was apparent that the bank had pursued a reckless lending policy since the late 1980s,

and that this had resulted in part from political interference. Management's inexperience or greed were also largely to blame. Some bank staff had accumulated enormous personal debts, while the island of Rotuma (the home of National Bank of Fiji General Manager Visanti Makrava, whom Rabuka had appointed in 1987), amassed an extraordinary loan-to-deposit ratio of 3000 percent in 1994. Makrava was relieved of his position at the end of June. However, he remained unapologetic, if not defiant, claiming he had only done his job, which was to help Fijians and Rotumans. At the end of July, parliament passed a motion calling for a Reserve Bank of Fiji investigation into the National Bank of Fiji's affairs, after amending a motion, put forward by opposition parliamentarians, that called for a public inquiry.

The political fallout from the National Bank of Fiji disaster continued to grow. In November, just before the budget was due to be handed down, the monthly *Review* magazine published excerpts from the Aidney-Dickson report, revealing for the first time the individuals and companies that were the bank's major debtors. As expected, these included politicians and others well connected to the government. The government's response was to turn on the media. There were calls from senior ministers to introduce media licensing and to invoke the Official Secrets Act. During the budget debate in parliament, the prime minister accused the media of stirring up "hysteria" in order to bring down the government. He expressed full confidence that members of his government were servicing their loans with the

bank and that "their accounts are functioning" (*FT*, 17 Nov 1995). The opposition, meanwhile, focused on the proposed \$20 million allocation to the National Bank of Fiji included in the 1996 budget. It argued that this was clearly not adequate for the task of bailing out the bank, and questioned how much more money would need to be found in the future.

It is clear that the aftermath of the National Bank of Fiji scandal will continue to be felt in 1996. Politically, it is expected that a cabinet reshuffle early in the new year will see at least one senior minister lose his post as a consequence of his role in the saga. Economically, tighter bank lending policies, already put in place as a result of the troubles of the National bank of Fiji, are likely to dampen demand and lead to a contraction in the already sluggish economy.

Whether or not there are more damaging effects on the government and Rabuka's leadership remains to be seen. In 1995 Rabuka's political fortunes seemed to swing wildly, from being perceived to be finally acting as a strong prime minister, to being labeled "Mr Crisis." His erratic behavior was demonstrated in late July when he asked for the resignations of three cabinet ministers who had voted against a government amendment to an opposition-sponsored resolution in the House condemning the resumption of French nuclear testing. The government amendment, on what should have been a noncontroversial issue, was defeated, and Rabuka appeared intent on exacting retribution from within government ranks. The issue quickly escalated into a major crisis, both

within the SVT and between the SVT and the General Voters Party, whose leader Leo Smith was one of the cabinet ministers to lose his job. There were rumblings of discontent within the SVT at Rabuka's actions and rumors of a challenge, but these did not eventuate. The split between the SVT and the General Voters Party, however, did transpire, at least temporarily. The General Voters Party executive announced it could no longer work with the SVT while Rabuka was leader. But the party had to contend with divisions within its own ranks as two of its parliamentarians defied the party line and accepted cabinet positions.

The withdrawal of General Voters Party support for the coalition had potentially serious implications for the government's majority in parliament. It led to renewed efforts by the SVT to discuss a possible coalition with the Fijian Association Party. To seal a coalition, there was speculation that Fijian Association Party parliamentary leader Ratu Finau Mara would be offered the post of deputy prime minister. A negotiating team led by Ratu Finau was set up to engage in dialogue with the SVT, but there were clearly mixed opinions within the Fijian Association Party about the prospects for, or indeed wisdom of, a coalition. Party leader Josefata Kamikamica and party chair Adi Kuini Speed were the most skeptical.

The government's parliamentary majority was made more tenuous with the forced resignation from parliament of its Tailevu member and Fijian Affairs Minister Adi Samanunu Talakuli in the middle of the year. This followed a court challenge initiated by the Fijian Association Party that at the

time of her election in 1994 she was not a Fijian citizen. Because she held a British passport, she was not eligible for election. Adi Samanunu was subsequently barred from standing in a by-election to fill the Tailevu seat after a high court ruling that she was not entitled under the terms of the 1990 constitution to become a full Fiji citizen until mid-1996. The de facto SVT candidate, Ratu Manasa Seniloli, won the seat in the August by-election. This was the third consecutive defeat for the hapless Kamikamica. But Ratu Manasa's election was later declared null and void after it was established that, at the time of the election, Ratu Manasa was still a public servant. In his ruling on the case, Chief Justice Sir Timoci Tuivaga laid most blame for the debacle on senior public servants and electoral officials who, he suggested, had appeared "partisan and partial" in carrying out their duties. The Fijian people of Tailevu will go to the polls yet again in early 1996, with both Ratu Manasa (this time as the official SVT candidate) and Kamikamica again the main contenders. The prospect of another campaign will, for the time being, keep coalition talks between the two parties on the back burner. In the meantime, the SVT and General Voters Party managed to put aside their differences and put the coalition back in place.

By the end of 1995 Rabuka's position as leader seemed as secure as it could be. No clear challenger had emerged, and certainly no other member of his cabinet appears to command the same degree of grassroots Fijian support. Fiji will no doubt have to live with this reality and to expect more of

the same mix of promise and missed opportunities in the coming year.

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### NEW CALEDONIA

The 1995 elections in New Caledonia were regarded by many observers as a preview of the 1998 referendum on independence. Yet rather than resolving the issue of the territory's future, they yielded some ironic twists worthy of this small, multiethnic country's political complexity. In the less confrontational 1990s, when dialogue leading to a "consensual solution" is the slogan of the day, supposedly "unnatural" alliances have emerged in the Loyalty Islands and in the Territorial Congress. It is tempting to suggest that a new center is developing between extreme loyalist and nationalist positions, but it may be premature to say so.

The election season began in April–May with a victory for conservative Jacques Chirac as the new French president. In New Caledonia, Chirac received 74 percent of the ballots cast, based on a 68 percent voter turnout. This result was rather disappointing for Kanak nationalists, who still remember his brutal handling, as premier, of the 1988 incident on Ouvea that led to the deaths of nineteen Kanak militants. Nor did he improve his reputation among radicals when he

announced that France would resume its nuclear testing in French Polynesia. That decision led to calls for solidarity with Tahitian protesters, notably from Louis Kotra Uregei, leader of the Union Syndicaliste des Travailleurs Kanak et Exploités (USTKE). Uregei also called for a boycott of the Pacific Games to be held in Tahiti in August, but to no avail.

In the June municipal elections, 3300 candidates ran in thirty-three communes. Despite some gains by the Front de Libération Nationale Kanak et Socialiste (FLNKS) in the Northern and Island Provinces, the loyalist Rassemblement pour la Calédonie dans la République (RPCR) won 56 percent of the vote in Noumea, the capital, and thereby gained forty of forty-nine seats in the municipal council. The Southern Province is more populous, industrialized, and multiethnic than the other two and has been the stronghold of Jacques Lafleur, the millionaire leader of the RPCR who dominates the local economy through a system of monopolistic patronage. Still, Lafleur's egomania is producing opposition not only among nationalists but also among dissident loyalists.

In an interesting contest in Dumbea, a suburb of Noumea, Wallisian leader Aloisio Sako maneuvered to keep the RPCR out of the local mayor's office. In early 1994 he had left the moderate, Wallisian-dominated Union Océanienne (UO) to form his own party, the Rassemblement Démocratique Océanienne (RDO), which openly supports Kanak independence. Because Sako was a Noumea police chief, the French interior minister had him suspended for a year for "lack of reserve," but in