Canberra Papers on
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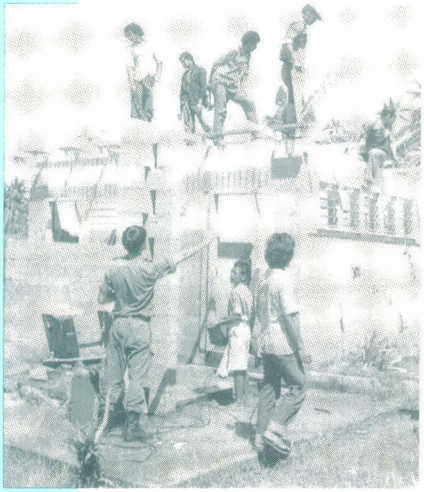
No. 72

South Pacific Security:

Issues and Perspectives



Stephen Henningham and
Desmond Ball, Editors

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SOUTH PACIFIC SECURITY:

ISSUES AND PERSPECTIVES

Stephen Henningham and Desmond Ball
Editors

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ABSTRACT

During the 1980s, the South Pacific was characterised by bitter internal conflicts in several countries, a new assertiveness by island country leaderships, and increased interest in the region by external powers. Economic problems worsened in several island countries and the South Pacific was affected by trends in the broader Asia/Pacific region. The implications of these developments for regional security provide the subject of this Canberra Paper.

Topics discussed include trends and prospects in the broader Asia/Pacific security environment; the South Pacific security and defence environment; economic characteristics and prospects of the South Pacific island states (with particular reference to the role of regional cooperation); foreign and defence policies of the South Pacific island states; the part played by Australia and New Zealand in the region; aims and activities of external powers; and the issues associated with the French presence.

Canberra Papers on Strategy and Defence are a series of monograph publications which arise out of the work of the Strategic and Defence Studies Centre, Research School of Pacific Studies, The Australian National University. Previous *Canberra Papers* have covered topics such as the relationship of the superpowers, arms control at both the superpower and South-east Asian regional level, regional strategic relationships and major aspects of Australian defence policy. For a list of those still available refer to the last pages of this volume.

Unless otherwise stated, publications of the Centre are presented without endorsement as contributions to the public record and debate. Authors are responsible for their own analysis and conclusions.

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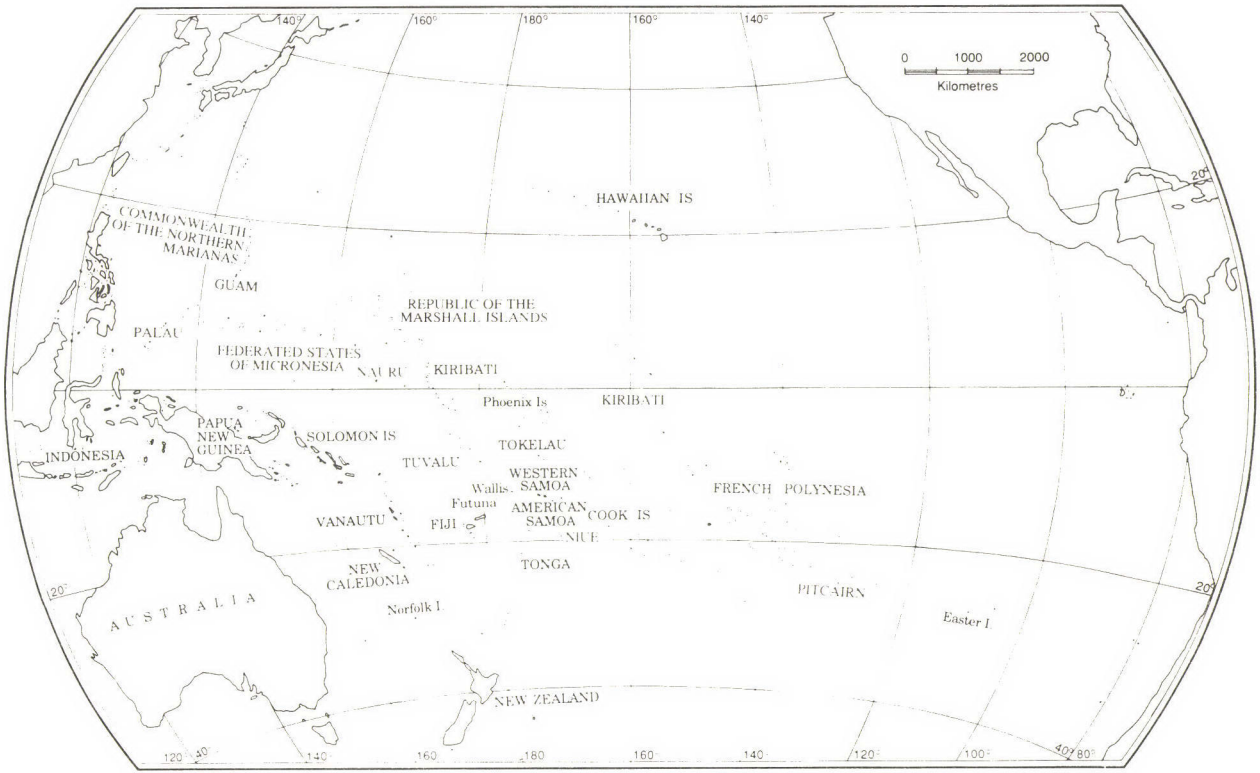
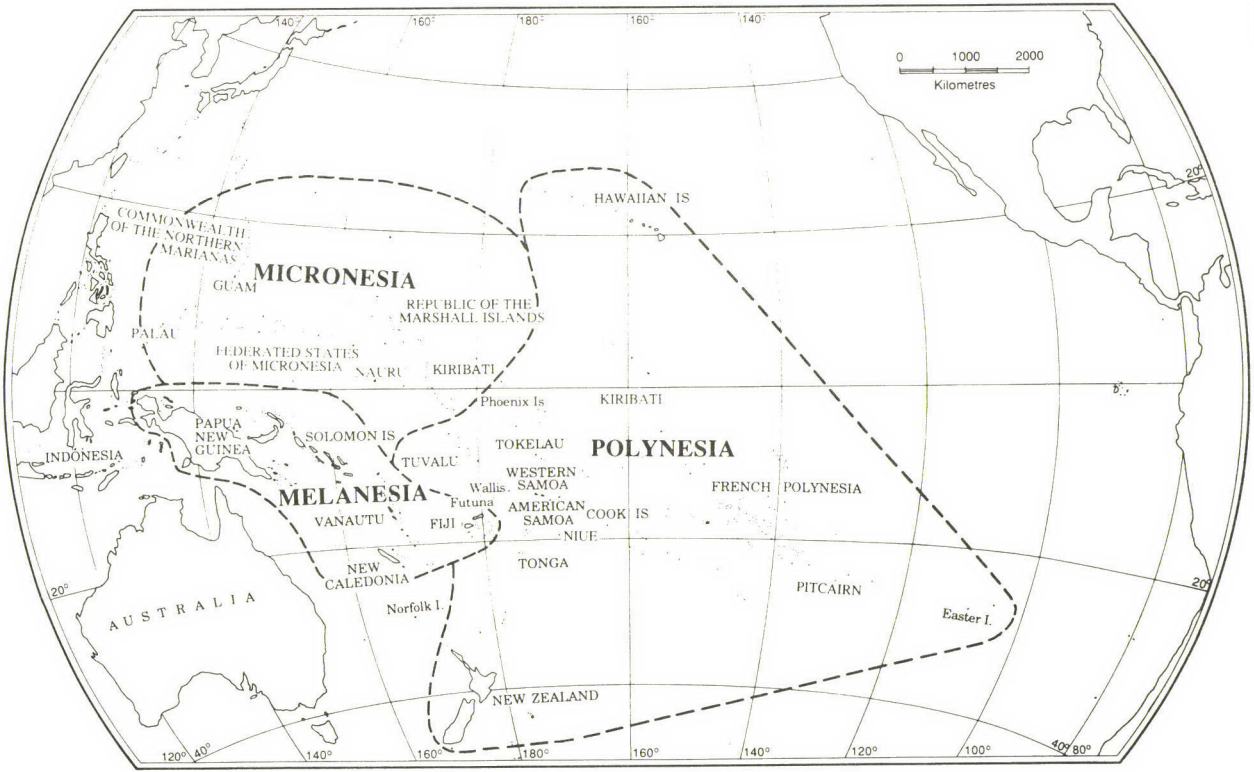
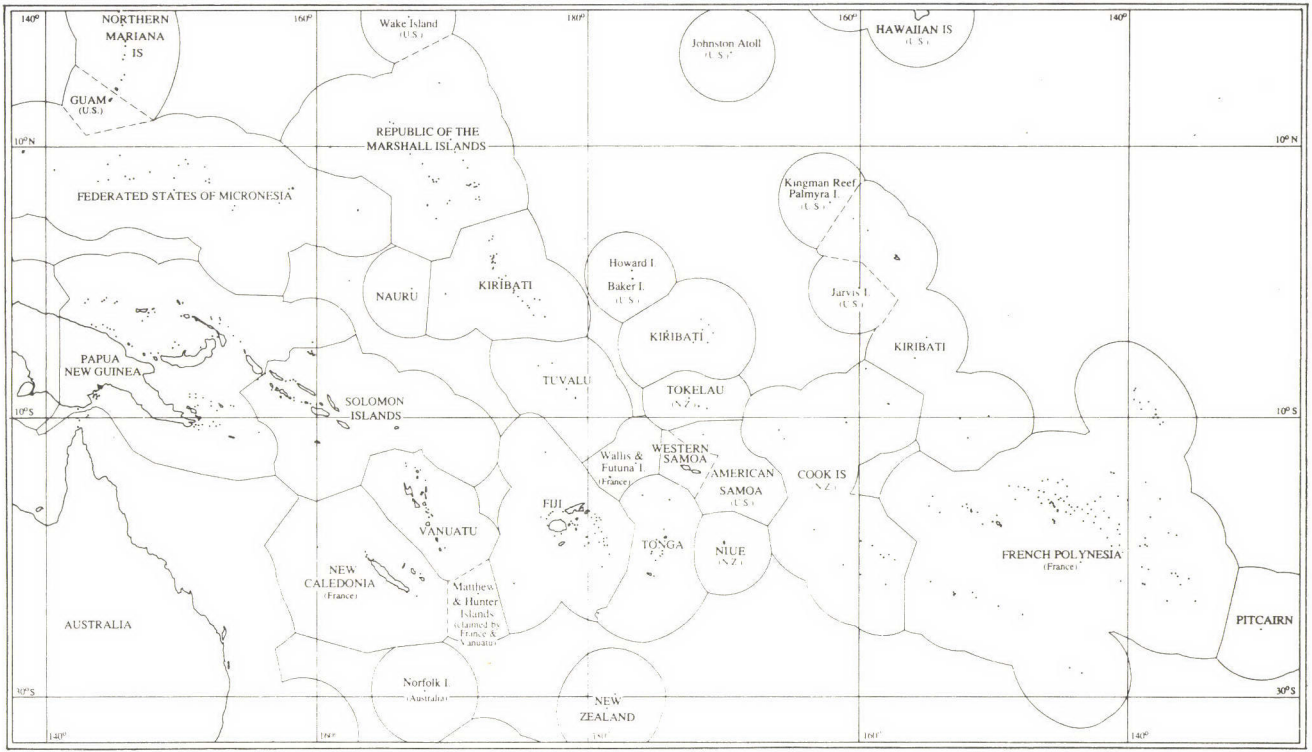


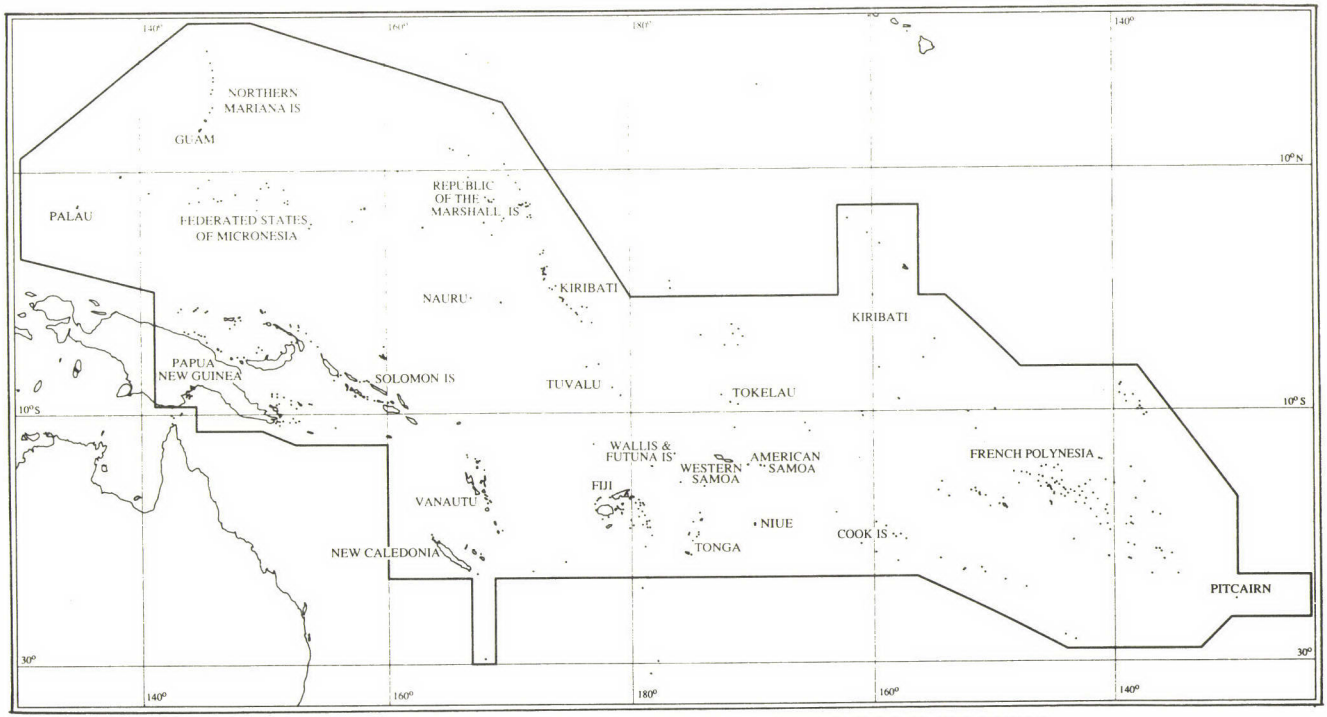
MAP 1. THE PACIFIC ISLANDS



MAP 2. PACIFIC ISLANDS ETHNIC GROUPINGS



MAP 3. PACIFIC ISLANDS EEZs



MAP 4. AREA SERVED BY THE SOUTH PACIFIC COMMISSION

PREFACE

From the end of the Second World War until recent years, the South Pacific was mostly regarded as a placid backwater. But this 'picture postcard' image was tarnished during the 1980s by the coups in Fiji, conflict in New Caledonia, the rift in the ANZUS treaty because of New Zealand's opposition to nuclear ship visits, Libyan interest in the region, and the secessionist revolt in the North Solomons (Bougainville) province of Papua New Guinea. Meanwhile, the island states of the region displayed a new assertiveness and independence-of-mind, despite their economic weakness and small size, and external powers with no traditional links with the region showed heightened interest.

This Canberra Paper offers background and perspectives on these changes and sets out to help place them into context. Desmond Ball opens the discussion by reviewing the trends and prospects in the broader Asia/Pacific setting within which the South Pacific is situated (Chapter One). He points out that there is no reason to expect that the recent dramatic changes in the Soviet Union and Eastern Europe will contribute positively to Asia/Pacific security. In addition, economic trends - and especially the economic dynamism of Northeast Asia - are combining with environmental changes and rapid technological developments to help make the Asia/Pacific security environment increasingly complex and volatile. As part of an analysis of current security developments, he emphasises the need for a much broader and multi-dimensional conceptualisation of the notion of security, and underlines the necessity for new policies and institutional machinery capable of managing the complex and disparate developments in the Asia/Pacific so as to enhance regional security.

In Chapter Two the focus shifts to the security and defence environment of the South Pacific. Stephen Henningham reviews the diversity of the South Pacific, but also points to cultural and historical connections and shared interests. Compared with most other regions, the South Pacific has been generally peaceful in the post-Second World War era, and the use or threatened use of armed force to help shape relations between states has been infrequent. Nonetheless significant conflicts and tensions do exist and, although these are mainly internal, they can have implications for relations between the countries of the region.

In the absence of external military threats, and given their economic vulnerability and development problems, the island countries of the South Pacific have naturally tended to regard economic welfare and progress as forming an integral part of their security. In Chapter Three Rodney Cole discusses the economic characteristics and prospects of the South Pacific island states, and reviews their efforts to attain mutual benefits through regional economic cooperation. He argues that the disappointing economic circumstances of most island countries results in large part from the inflated growth of their public sectors and from policies emphasising stability and self-sufficiency. As an alternative strategy, he urges the adoption of outward-looking, growth-oriented policies, calls for an increased emphasis on private sector activity, and recommends the cultivation of entrepreneurial and managerial skills in the island countries.

Next, against the background provided by Chapters Two and Three, Chapter Four examines the foreign and defence policies of the states of the South Pacific region. Stephen Henningham points out that overall the island countries have emphasised economic, resources and environmental issues in their external relations. He also argues, however, that generalisations about the region as a whole must be informed by an understanding of the different policy perspectives both of particular sub-regions - notably Melanesia and Polynesia - and of individual nation-states. In addition, he emphasises the important if at times ambiguous role played in the South Pacific by the 'regional powers', namely Australia and New Zealand.

The foreign and defence policies of the South Pacific countries are of course shaped in part in response to the aims and activities in the region of external powers. In Chapter Five David Hegarty discusses these powers. He highlights the increased 'internationalisation' of the region, resulting both from greater interest by external powers and from a growing tendency on the part of island countries to diversify their foreign relations - in part because they perceive prospective aid and economic benefits from this diversification.

Within the South Pacific region, many observers regard France as an external power, which insists on retaining the Pacific remnants of its colonial empire and on conducting nuclear tests in defiance of

regional opinion. The usual French view, in contrast, is that France has a legitimate presence and role based on long historical association, important national interests, substantial aid spending, and the majority support in each of the three French territories for the maintenance of French sovereignty. In Chapter Six Yves Pimont reviews the issues and implications associated with the French presence in the South Pacific. He argues that France should express a clear and firm resolve to stay in the South Pacific, and should support this resolve with consistent long-term policies and with mutually advantageous cooperative agreements with the French territories and the island countries.

Earlier versions of the chapters in this book were presented at the panel discussion on the South Pacific in a conference on 'Geopolitics and Geostrategy in the Southern Hemisphere' held at the French University of the Indian Ocean in Réunion on 29-31 May 1990. The editors are grateful to the convenor of the conference, Professor Pierre Maurice, for permission to publish this material as a Canberra Paper.

CHAPTER ONE

THE CHANGING ASIA/PACIFIC SECURITY ENVIRONMENT AND THE SOUTH PACIFIC

Desmond Ball

A distinctive characteristic of our age is the rapidly accelerating pace of change. The political and economic changes which General Secretary Mikhail Gorbachev has unleashed within the Soviet Union were unimaginable half a decade ago. The political developments which occurred in Eastern Europe in 1989 could not have been predicted even a year before. While these developments should be earnestly welcomed and supported, it is important to recognise that the consequences will not necessarily be invariably benign. A central Europe of half a dozen independent states, each with serious economic, ethnic and nationality problems, does not augur well for European stability. The years immediately preceding the Second World War, and perhaps even more those preceding the First World War, warrant careful re-examination.

Moreover, there is no reason to expect that these developments in the Soviet Union and Eastern Europe will contribute positively to regional security. There is likely to be a reduction in economic assistance to both the desperately poor and the newly industrialising countries as the focus of the US, Western Europe and major international aid and development organisations turns to the economic reconstruction of Eastern Europe. The diminution of US and Soviet political and military presence and interest in the more distant reaches of the globe could well unleash local sources of conflict and lead to regional arms races. There is likely to be a transfer of large quantities of conventional arms to, as well as increased indigenous arms production in, many parts of Africa, the Middle East and Asia - including a proliferation of chemical weapons and other extremely destructive advanced munitions. The number and destructiveness of conflicts in many parts of the world is increasing rather than decreasing.

Change in the Asia/Pacific region is no less dynamic. Northeast Asia has become the main source of dynamism in

international economic activity. The shift in the world's economic centre of gravity to this region has significant geopolitical and geostrategic implications. The role of the superpowers in the region is declining in relative terms. Bipolarity is now history. Other powers, such as Japan, China and India, will be increasingly active in the region. Security is becoming more multi-dimensional, with the military dimension decreasing in significance relative to economic and environmental concerns.

We are now witnessing momentous global environmental changes - pollution, desertification, acid rain, ozone depletion and the 'greenhouse' effect - which will affect our future well-being directly as well as provide further cause for international disputation.

Technological development has also become more dynamic and fecund. In the United States, government and industry now spend an estimated $(US)132 billion a year on technological research and development (about $40 billion of which is for military R & D). Japan now spends about $(US)60 billion a year. In the military field, there are more efficient engines, propellants and power plants, increasing both the range and capability of delivery systems; there are new guidance and navigation systems, increasing the accuracy and lethality of modern weapons systems; there are new warhead developments, such as fuel air explosives and cluster munitions; and there are important developments in surveillance, command and control, and communications systems. These are having a significant impact on the nature and intensity of conventional conflict, affecting strategy as well as tactics. In addition, of course, new technology has become the key to competitiveness in international markets and to economic growth. As such, it is a fundamental ingredient of national and international security.

For those concerned with the changing security environment in the Asia/Pacific region, there are two fundamental issues. The first is conceptual and concerns the need to develop concepts and analytical techniques for coherently addressing the myriad of disparate factors and trends which constitute this emerging new environment. I believe that the current security developments can best be analysed under three progressive heads - change, complexity, and uncertainty. The second issue concerns policy making - how can policies and institutional machinery be designed and constructed to manage these

disparate and complex developments in order to enhance regional security?

The Dynamics of Change

The most important change is economic. Economic strength has become the single most important index of national power, eclipsing over the long haul even the possession of significant quantities of nuclear weapons. During the 1970s, the Soviet Union achieved strategic nuclear parity with the United States - indeed, the Reagan Administration was concerned in the early 1980s that the Soviet Union had achieved strategic superiority - but it was the inability of the Soviet economy to maintain real growth and to support technological modernisation in the 1980s that dictated the Soviet withdrawal from the superpower competition. It is the ability of national economies to sustain high levels of real growth, to generate and capitalise on advanced technological products and processes, and to engage competitively and energetically in the international marketplace that will determine rankings in the national power lists at the turn of the century.

Over recent decades, the Northeast Asian economies have grown more rapidly for longer than any others in world economic history. As a result, there has been an historic shift in the centre of gravity of economic production and power towards Northeast Asia. Northeast Asia's share of world production is now about 25 per cent, about equal with that of each of North America and Western Europe; the region's real purchasing power now exceeds that of each of North America and Western Europe. Northeast Asia has become the main source of dynamism in international trade, and the largest source of surplus savings for international investment.

However, this economic dynamism is somewhat fragile. It is dependent upon energy resources and raw materials from outside the region. Sea lines of communication (SLOCs) are very long and quite vulnerable.

The most obvious geostrategic change is the relative decline of the presence and influence of the two superpowers and the transition from bipolarity to some as yet undefined form of multipolarity.

The Soviet Union is quite clearly receding northward. About half of the military capabilities which it has maintained in Vietnam over the past decade have been removed in the past few years - the MiG-23 fighters; about half the Tu-16 Badger bombers, Tu-142 Bear long-range maritime surveillance and anti-submarine aircraft; and about half the naval surface combatants and submarines. The Soviet Union could even be seriously considering a complete withdrawal from Cam Ranh Bay - apart, perhaps, from its communications and signal intelligence (SIGINT) facilities. Soviet naval ship-days throughout the Pacific have been reduced markedly.

It should be stressed, however, that the capabilities of the Soviet Pacific Fleet have not been reduced, although the fleet is increasingly bound to home waters. Indeed, in terms of ship tonnages, quality, and nuclear armaments, the strength of the fleet has increased in the past few years.

The future of the US presence in the region is somewhat uncertain. Much depends on the outcome of the negotiations over the US bases in the Philippines. It is most likely that the US will remove some of its bases and facilities from the Philippines, if it is not forced to remove all of them, by the mid-1990s. Some of these will be redistributed elsewhere in Southeast Asia and the Pacific, but some will be withdrawn from the region entirely. Whatever the outcome of the Philippines bases negotiations, the US capabilities will suffer some reductions - at a minimum, a decline of some 10 per cent over the next few years. The reduction in capabilities in the Pacific will almost certainly include one aircraft carrier and possibly two, several squadrons of aircraft, and several tens of thousands of Army personnel from Japan and South Korea.

There will be an increasing number of actors in the region. Japan is already involved in maritime operations out to 1,000 nautical miles, which takes it down almost to the Philippines. In regional terms, Japan already has a substantial and very modern naval force, including some 120 maritime aircraft, 56 major surface combatants (39 destroyers and 17 frigates) and 14 submarines. It is planning to acquire tanker aircraft to extend the range of its air coverage, and is considering the acquisition of 'defensive' aircraft carriers. There will be increasing Japanese presence in Southeast Asia and the South Pacific through the 1990s.

The Chinese Navy is growing, as is its presence in the South China Sea. It is improving the amphibious capabilities of its South Sea Fleet, constructing an airbase in the Paracels, and acquiring an air-to-air refuelling capability for its naval air forces. Chinese interest in the South Pacific is also increasing.

India's naval expansion will also reach into Southeast Asia and the South Pacific. India plans to acquire another aircraft carrier, more surface combatants, more Dornier-288 long-range maritime patrol aircraft, and a modern conventional and nuclear-powered submarine fleet. It is also gradually developing its naval and air facilities on the Andaman and Nicobar Islands - which are only 80 nautical miles from the north coast of Sumatra. In the South Pacific, India has followed recent developments in Fiji closely, and has expressed strong concern about the welfare and rights of the Indo-Fijians.

Within the Southeast Asian region itself, the most important geopolitical change concerns the role of Vietnam. Since the 1950s, Vietnam has been the focus of conflict and war in the region. The withdrawal of Vietnamese forces from Cambodia, the possibility of a settlement of the conflict in Cambodia, and the prospect of normalisation of diplomatic relations with Hanoi, augur a fundamental transformation in this situation.

These developments are having a major impact on ASEAN. Already, the perceived reduction of the US presence in the region is raising the profile of differences between the ASEAN countries. The normalisation of relations with Vietnam will greatly exacerbate this trend. The fundamental rationale, albeit implicit, of ASEAN has been the common determination to resist communism and particularly the perceived threat of Vietnamese political and military expansion. This basic rationale is in the process of being removed. It is not implausible that the differences in strategic perspectives and reactions to these developments could lead to the collapse of the association.

Most of the ASEAN countries are currently engaged in major arms acquisition programs, involving the modernisation and enhancement of air and maritime capabilities. There are perceived security requirements. The remarkable economic growth of the region permits an increasing allocation of resources to defence programs. There is prestige attendant on the acquisition of modern technology. There is the perceived draw-down of the US presence in the region

and the perceived need to compensate for this. And the acquisition of advanced weapons systems is an important means of keeping abreast of new technological developments.

All the ASEAN countries (with the exception of the Philippines) are transforming their naval capabilities from essentially surface-warfare-oriented patrol boat/coastal forces to navies with greater range and a broader spread of capabilities. For example, they are now all (again, except for the Philippines) equipped with Harpoon and/or Exocet anti-ship missiles. They are also acquiring modern (albeit limited) fighter aircraft, which can be used in maritime attack roles. Indonesia, for example, has recently bought six Harpoon-capable Van Speijk-class frigates and is acquiring F-16 aircraft. Singapore has fitted six of its 24 fast attack craft with Harpoons and is also acquiring F-16s.

The changing strategic situation represents a mixed picture. There is much to be welcomed, including the relaxation of superpower tensions, the withdrawal of Soviet forces to home territory, and the general economic growth in the Asia/Pacific region.

However, conflict and military competition in the region is not going to go away. Indo-China has a history of invasion, involving both outside powers (e.g. China, France and more recently the US intervention) and countries within the region (e.g. the Thai and Vietnamese invasions of Cambodia). There are numerous other areas of current or potential conflict, such as the North Solomons (Bougainville) in Papua New Guinea; New Caledonia; the Irian Jaya/Papua New Guinea border; the Spratly and Paracel (Xisha) Islands in the South China Sea; and disputed island and continental shelf claims in the Gulf of Thailand. Instability in the Philippines and the Southwest Pacific is also likely to increase.

The Increasing Complexity of Security

Security developments are also becoming much more complex. In part, this arises from the increasing number of actors involved in the region. Security issues in the 1990s will involve a dozen actors - the ASEAN countries, Vietnam, China, Japan, India, the United States, the Soviet Union, and Australia. The primary interests

of many of these actors are extra-regional; for these the stability of the region is a secondary concern.

A more profound source of complexity, however, is the broadening of the concept of security itself. Security is becoming more multi-dimensional. Military concerns will of course remain - the strength of insurgent and separatist forces in Burma, Cambodia, the Philippines, Papua New Guinea, etc.; the steady expansion of the naval and counter-maritime capabilities of Indonesia, Malaysia, Singapore and Thailand; and the increasing power projection capabilities of Japan, China and India. However, these military concerns will be increasingly supplemented by issues of economic and environmental security.

Economic security at the broadest level involves the maintenance of economic growth and of the dynamism of the economic power centres of Northeast Asia and increasingly also of ASEAN. There is a multiplicity of contentious issues relating to economic security - such as the protection of trade links; protection of sea lines of communication (SLOCs); rights of transit through straits and internal waterways; competing claims to offshore islands, reefs, and seabed and ocean areas; and the protection and exploitation of marine resources. The Indonesian 'restrictions' in 1988 on passage through the Lombok and Sunda straits illustrates the potential for significant disruption of merchant shipping through the region. In the South Pacific, the island states rank military threats far below the destruction of fish stocks through drift-net fishing as threats to their future well-being and security.

Environmental security issues are also becoming more salient. Global pollution, desertification, deforestation, and the greenhouse effect, with the attendant issue of rising sea levels, are all real problems in this region. Large scale oil spills in the Malacca Straits or the South China Sea could do irreparable damage to marine life and other offshore resources. Bangladesh faces a loss of the topsoils on which its subsistence agriculture depends. Deforestation in Malaysia and Kalimantan is already portending adverse environmental effects in Southeast Asia. Rapid industrialisation is causing a dramatic increase in carbon dioxide emissions. In the South Pacific, one island (Nauru) has had its interior devastated by the mining of its phosphate deposits. On others, wastes have dangerously contaminated the water supplies.

Global warming threatens the physical survival of several South Pacific island states. The highest points in the Marshall Islands, Tokelau and Tuvalu are only four metres above sea level. It is possible that a 2° C increase in average temperatures would cause a 4 m rise in sea level and hence cause these islands to simply disappear. In many other islands, although the maximum altitudes are hundreds of metres, the primary economic activity occurs on the coastal lowlands which could well be drowned. In other cases, the greenhouse effect will alter rainfall patterns - to the extent that desertification of most of Papua New Guinea, for example, is a possibility. In the South Pacific, these environmental issues represent the real security problems of the next couple of decades.

In addition, environmental issues will become an increasing source of international disputation. Environmental degradation is not confined to the national borders of the countries in which noxious activities are generated; external costs are frequently borne by those who receive no benefit from the activities. The South Pacific states, for example, are essentially innocent victims of the build-up of carbon dioxide produced by industrialisation elsewhere. The South Pacific countries are also concerned about the disposal of chemical weapons at Johnston Atoll. The portended loss of topsoil in Bangladesh is primarily due to uncontrolled deforestation in Nepal. Conflicts will increasingly occur over attribution of responsibility for offshore pollution and damage to marine resources, desertification, acid rain, rising sea levels, and 'environmental refugees'.

The military, economic and environmental aspects of security are not easy to reconcile. The military requirements of counter-insurgency operations in the Philippines, for example, exacerbate the difficulties of economic reform and development. The adverse environmental costs of deforestation are now widely recognised but, nevertheless, Malaysia, Indonesia and Papua New Guinea remain heavily dependent on timber resources for employment and foreign exchange.

The increasing complexity of the emerging regional security environment demands a multi-dimensional approach to regional security management, in which the military factor will have to be closely complemented by economic, diplomatic and environmental considerations. This is an extremely challenging task, and we should

not be complacent about the possibility of the region successfully meeting the challenge.

Uncertainty

Uncertainty is endemic in the international system. It is an inevitable product of sovereignty as the defining characteristic of nation states. As the extent and rapidity of change increases, and the complexity of regional security developments also increases, then so too will the essential uncertainty and unpredictability of the regional security environment.

Several current developments contribute more particularly to this uncertainty. The US-Soviet global relationship is in transition, with consequences for regional security which remain unforeseen. The improvement in that relationship is leading to reductions in US and Soviet arsenals; a movement to naval arms control and disarmament in the Pacific is a distinct possibility. On the other hand, major weapons acquisition programs are already underway within the region, and power projection into the region from elsewhere in Northeast and South Asia will increase further.

Uncertainty has also been introduced by the breakdown of ANZUS. It is possible to make too much of this development, since the New Zealand element of the alliance was always the least important. In a very real sense, ANZUS has been less a tripartite arrangement than two bilateral arrangements, structured around Washington-Canberra and Canberra-Wellington axes; these axes have, on balance, been strengthened in recent years. Nevertheless, many of the South Pacific states have undoubtedly become more apprehensive about the protective umbrella which they believe ANZUS has historically provided.

The future of ASEAN stands out as a central question. Although invariably underplayed as a regional security arrangement, ASEAN has in fact been an extremely successful such arrangement. It represents an example of successful confidence-building in its own right. The mechanisms for dialogue which have been instituted under the umbrella of the association are, as a whole, far more advanced and functional than those extant elsewhere in Asia.

It is clear, however, that ASEAN will not long remain in its current configuration. One possibility is that the current and prospective economic growth, together with the national self-confidence being generated by the acquisition of advanced military technologies, will produce an association willing and able to manage regional security developments in a positive and coherent fashion. On the other hand, it is also possible that with the reduction of the US presence in the region, and most particularly a US withdrawal from its bases and facilities in the Philippines, ASEAN will become less cohesive. It will be a more diffusive security environment, with the potential for the ASEAN member states to each pull in different directions. There is a real possibility of the demise of ASEAN as an institutionalised regional entity. In contrast, despite inner tensions, the South Pacific Forum seems likely to continue and to expand its role in the South Pacific.

CHAPTER TWO

THE SECURITY AND DEFENCE ENVIRONMENT

Stephen Henningham

This chapter examines the general features and security characteristics of the South Pacific region. The term 'South Pacific' has been given varying applications. Here it mainly refers to the states and entities and the intervening ocean in the area bounded by, but also including, Australia and Papua New Guinea to the west, French Polynesia to the east, New Zealand to the south, and Nauru and Kiribati to the north (Map 1). However the chapter also discusses the various entities of American Micronesia, which lie north of Papua New Guinea, Nauru and Kiribati. Tables 2:1 to 2:5 provide basic data on the states and other entities of the region.

Background: Diversity but Common Interests

The South Pacific is overwhelmingly maritime. Leaving aside the land masses of Australia and New Zealand, only a small percentage of the vast area it includes is land. This land is in turn fragmented into thousands of islands, many of them widely separated.

These islands are of varying types. The range in size is from Australia, an island continent, to Kiribati and Tuvalu, countries which consist exclusively of atolls. In between are the substantial continental islands which comprise the main islands of Papua New Guinea, Solomon Islands, and New Caledonia; the high volcanic islands (for example Tahiti); and the elevated reef islands (for example Nauru and the Loyalty Islands in New Caledonia).

Nauru and Niue are unusual as single (elevated reef) islands comprising a political entity. The other countries consist of several islands, often of different types. The Cook Islands, for example, includes volcanic islands, elevated reef islands and atolls, while the Solomon Islands includes a continental island as well as the other three types.

The islands and groups of islands vary greatly in size (Tables 2:2 and 2:4). In population size and area, Australia dwarfs the rest. While small relative to Australia, New Zealand and Papua New Guinea are giants in relation to the other states and entities. Most of the island states are very small. Leaving aside the four most populous states of Australia, New Zealand, Papua New Guinea and Fiji, their average population is just under 100,000, while their average land area is some 4,500 square kilometres.

Political systems also vary. Representative democracy and the rule of law are present in most of the island states and entities, although they are qualified by the interaction of local traditions with western institutions and ideals. But the region also includes the neo-traditional monarchy of Tonga, the post-coups, military-supported interim government of Fiji, and the Indonesian provincial government of Irian Jaya. There are also great variations in the exercise of sovereignty. As well as eleven sovereign states, the region includes three quasi-sovereign/self-governing entities, and twelve dependent entities (Table 2:1).

Table 2:1: South Pacific States and Entities

Sovereign states:	Australia, New Zealand, Papua New Guinea, Solomon Islands, Vanuatu, Fiji, Western Samoa, Tonga, Tuvalu, Kiribati, Nauru
Quasi-sovereign, self-governing entities:	Cook Islands, Federated States of Micronesia, Marshall Islands
Dependent entities:	
a) possessing a distinct regional identity	American Samoa, Palau (Belau), Guam, Northern Marianas, French Polynesia, New Caledonia, Wallis and Futuna, Tokelau, Niue
b) lacking any distinct regional identity	Torres Strait islands, Irian Jaya, Pitcairn

Among the three quasi-sovereign, self-governing countries, a distinction should be drawn between the Cook Islands and the two American Micronesian entities, namely the Republic of the Marshall Islands and the Federated States of Micronesia. The Cook Islands can proceed to full independence from New Zealand at any time by

passing an Act of Parliament. In contrast the two Micronesian countries, under their Compacts of Free Association with the United States, have surrendered their rights over their own defence policies on a long-term basis.[1]

This limitation, as well as uncertainties over the process whereby the United Nations Trust Territory of Micronesia has been terminated, places constraints on the international recognition of their sovereignty. The level of sovereignty exercised by the Cook Islands has also been questioned. In 1979, and again in 1989, because of doubts about its sovereignty, the Cook Islands was refused membership of the group of developing countries in Africa, the Caribbean and the Pacific subject to the Lomé Convention.[2]

Yet despite these international reservations, all three entities are self-governing countries with a distinct regional identity and substantial control over their external affairs within the region. Accordingly they have been accepted as members of the South Pacific Forum.

Unlike the quasi-sovereign/self-governing countries, the dependencies in no way possess sovereignty, which continues to reside in their administering powers. For general data on the dependencies see Tables 2:4 and 2:5. The tiny entity of Niue (population: 2,900; area: 259 sq km) is a special case. Like the Cook Islands, it has a relationship of 'free association' with New Zealand, and is fully self-governing. But, unlike the Cook Islands, it has not opted to assume control over its foreign policy, and so is considered here with the dependencies.

Although the dependencies lack sovereignty, some of them have a modest profile in regional affairs. Except for the Torres Strait islands, Irian Jaya, and Pitcairn, they are all members in their own right of the South Pacific Commission, which is an international organisation concerned with the economic development and welfare of the developing states and entities of the region (Map 4). The Commission has no political mandate, but some of its activities and

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1 Stewart Firth, 'Sovereignty and Independence in the Contemporary Pacific', *The Contemporary Pacific*, (Vol. 1, Nos 1 and 2), Spring and Fall 1989, pp.78-9.

2 *Ibid.*

programs inevitably have political implications. One example was the condemnation of drift-net fishing by the 1989 annual conference of the Commission. In addition, its meetings provide occasions for informal exchanges of views on political questions.

The constitutional arrangements applying to the French territories of New Caledonia and French Polynesia permit the governments of these territories to play some role in international affairs within the region, in consultation with and under the direction of France, and consistent with the areas covered in their limited exercise of self-government.

The political and constitutional variety of the region is complemented by ethnic diversity. Following successive waves of settlement over several centuries, four main ethno-cultural groups are present (Map 2):

- those of European descent, who comprise the large majority in Australia and New Zealand and, at 34 per cent, the second-largest group in New Caledonia;
- the Melanesians, who inhabit Irian Jaya, Papua New Guinea, Solomon Islands, the Torres Strait islands, and Vanuatu, and who comprise 45 per cent of the New Caledonian population;
- the Polynesians of American Samoa, the Cook Islands, French Polynesia, Niue, Tokelau, Tonga, Tuvalu, Wallis and Futuna, and Western Samoa, who also comprise 12 per cent of the New Zealand population; and
- the Micronesians of Nauru and Kiribati and of the various entities of American Micronesia, namely the Commonwealth of the Northern Marianas, Guam, the Federated States of Micronesia, the Marshall Islands, and Palau (Belau).

Fiji, although often grouped with Melanesia, is a special case. Its indigenous population has come under strong Polynesian influences, particularly in the eastern part of the island group. Its non-indigenous population, which makes up half of the total, is of mainly Indian descent.

As well as overlaps between these broad ethnic groupings, there are important differences within them. Before the European era, and except for parts of Polynesia, linguistic and political units were very small. In Melanesia, great linguistic and associated local political diversity exists. In the archipelago of Vanuatu, for example, some 100 languages were spoken, of which about 80 are still in use. Throughout the island states and entities, people identify strongly with their kin group and their native island or valley. Their commitment to the overarching political unit within which they find themselves is often weak.

In addition to the ethno-cultural and political/constitutional variations within the region, the economies of the region also vary, reflecting differences in scale, resource base and historical background. The modern market economies of Australia and New Zealand contrast with the Third World economies of the island states and entities. Of course, the subsistence sectors of the island country economies generally can provide adequate to good standards of nourishment and shelter. And absolute poverty is rare, although it is increasing because of urbanisation and the decay of communal traditions. But all the island countries remain aid-dependent for the provision of modern infrastructure and services, and for measures designed to modernize their economies (see Chapter Three).

There are significant differences between the economies of the island countries. The relatively large, populous, and resource-rich countries of Melanesia and Fiji have the potential to become economically self-reliant, whereas the Polynesian and Micronesian countries seem destined to remain aid-dependent for modern services and infrastructure. The exception to this generalisation is the phosphate-rich Micronesian state of Nauru, which has a high per capita income, and receives no aid. But its phosphate will run out in the 1990s, leaving an ecologically devastated island, and the continuing prosperity of the Nauruans will depend on the wisdom with which phosphate profits have been invested.

Despite the diversity of the island countries and entities, there are important interconnections between them, and their peoples display an awareness of common characteristics and interests. Some of the interconnections date to the pre-colonial era, while others are more recent. In culture and ways of life, there are important

similarities between the island peoples of the region. In addition, with the exception of the British protectorate of Tonga, all of the fully-sovereign island states were formerly colonies of Britain, Australia or New Zealand, which has left similarities in institutions and élite attitudes.

Anglican, Protestant and to a lesser extent Roman Catholic missionaries had a major influence in the islands, converting much of the population. The churches continue to play an important part. The élites of the region are narrow, and links between them have generally been strengthened through similar backgrounds of education in church schools followed by higher education at the University of the South Pacific, the University of Papua New Guinea, or in Australia or New Zealand. Their outlook has also been shaped by interaction and cooperation in the South Pacific Commission, the South Pacific Forum, the Pacific Islands Development Program and other regional organisations.

Apart from the controversial case of the incorporation of Irian Jaya into Indonesia in 1961, decolonisation did not commence until 1962, when Western Samoa became independent, and it continued until Vanuatu attained independence in 1980. With the exception of Vanuatu, the transition to independence was mostly amicable. The former administering powers generally continue as major aid donors and important commercial partners, so sharp breaks with the colonial past have been averted.

Defence and Security Issues

During the Cold War era, and in the wake of the crushing allied victory over Japan, the region became part of the US and Western sphere of influence. Compared with the situation most other regions of the world during the post-war era, in the South Pacific the use or the threatened use of armed force to help shape relations between states has been infrequent.

Apart from the land border between Papua New Guinea and Irian Jaya (discussed below), all the international boundaries in the region are maritime (Map 3). The islands of the region are scattered over a wide area, with considerable distances between the various

island groups, compared with, for example, insular Southeast Asia or the Caribbean. With one exception, differences and uncertainties over maritime jurisdictions have been resolved amicably through negotiation.

The exception is the dispute between France and Vanuatu over the ownership of the tiny, barren and uninhabited islands of Matthew and Hunter, which lie between New Caledonia and Vanuatu (Map 3). Although of no value in themselves, their possession permits a claim to an expanded Exclusive Economic Zone. A Vanuatu vessel visited the islands in March 1983, leaving a plaque claiming possession. France responded by despatching a military detachment, which removed the plaque. Since then a small French force has been stationed on Matthew Island, and France has also begun some scientific research on the islands.[3] But this dispute is only a minor irritant to Franco-Vanuatu relations. While unlikely to be resolved quickly, it is even more unlikely to lead to a clash of arms. Neither side wishes to resort to armed force and, in addition, Vanuatu evidently lacks the capability. There is no prospective parallel to the Falklands war here.

In the absence of maritime or land border disputes, and with the countries of the region enjoying good relations with one another, force has mainly been used *within* states to contain or suppress internal unrest or, in the instance of Fiji, to overthrow a reformist, Indian-supported government in a reassertion of indigenous Fijian rights. Of course these domestic developments have on occasion created circumstances conducive to the use or potential use of force from another regional country. In 1980 the government of the new Republic of Vanuatu was assisted by Papua New Guinean troops, with Australian logistics and communications support, in quelling the Santo secession bid. At the time of the first Fiji coup, in April 1987, elements of the Australian and New Zealand defence forces readied themselves to intervene should their nationals resident or on holiday in Fiji be threatened.

More recently, the Bougainville secessionist conflict has had some potential to spark differences between the governments of

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3 See Elise Huffer, *Politique Extérieure Blong Vanuatu,* Rapports Sciences Humaines, No.1, (ORSTOM, Noumea, 1989), p.27.

Papua New Guinea and the Solomon Islands. Bougainville and the other smaller islands which comprise the North Solomons province are closer, and have stronger historical and ethno-cultural links, to the western islands of the Solomon Islands than to the rest of Papua New Guinea. But the Solomon Islands government has so far avoided involvement, and shows no inclination to change this stance.

In addition to the absence of the threat of armed conflict between the states of the region, foreseeable potential military threats to the island countries from outside the region are also lacking. The partial exception to this generalisation arises from intermittent Papua New Guinea/Indonesian border difficulties. The border itself is undisputed, but relations between Papua New Guinea and Indonesia are affected by the low-level but continuing resistance by some Irianese to the incorporation of Irian Jaya into Indonesia. Opponents of Indonesian rule have supported the Organisasi Papua Merdeka (OPM) or Free Papua Movement. The OPM is a loose, factionalised nationalist movement which sets out to represent a variety of dissident individuals, groups and local communities. OPM militants and their supporters have sought sanctuary across the border in Papua New Guinea, prompting cross-border raids by Indonesian patrols. Papua New Guinean and Indonesian patrols have exchanged shots on several occasions, but with no casualties as yet.

But despite these incidents, and although much sympathy exists in Papua New Guinea for the OPM, successive Papua New Guinea governments have wished to maintain good relations with Indonesia. So they have declined to support the OPM, and have sought to resolve difficulties through negotiations. Indeed in 1987 the Wingti Government concluded a 'Treaty of Mutual Respect, Friendship and Cooperation' with Indonesia designed to put the relationship on a new and cordial footing. There is no evidence that the current Indonesian regime is expansionist or has designs on Papua New Guinea. Except in the contingency of changes in Indonesia bringing about the establishment of an expansionist and bellicose regime, which seems unlikely, border tensions between Indonesia and Papua New Guinea are likely to remain low level and containable. Accordingly, they are unlikely to pose a wider threat to regional security and stability.

In the absence of military threats, and because of their economic weakness, the island states have spent little on defence. Only Papua New Guinea, Fiji and Tonga have armed forces (Table 2:6). All three forces are orientated to internal security, and lack the capability to mount operations beyond their home territories. Indeed, in the event of a major internal crisis, their effectiveness would be constrained by equipment, logistics and communications weaknesses, as the Bougainville conflict in Papua New Guinea has demonstrated.

The island states do not form part of any overarching security pact, but tend to assume that Australia or New Zealand would come to their aid in a crisis. Reactions to the unravelling of ANZUS, due to New Zealand government policy on visits by nuclear-armed or nuclear-powered ships, were varied. Some states, especially in Melanesia, were impressed by what they saw as New Zealand's show of independence. But the more conservative Polynesian states were concerned about frictions within an arrangement which they assumed also provided them with some informal security guarantees.

Table 2:2: Sovereign and Quasi-Sovereign Countries: Populations and Areas

	Population	Land Area (sq km)	Sea Area (sq km)
SOVEREIGN STATES: (year of independence)			
Australia (1901)	16, 468,600	7,682,300	8,900,000
New Zealand (1907)	3,300,000	268,000	1,200,000
Melanesia:			
Papua New Guinea (1975)	3,649,503	462,243	3,120,000
Solomon Islands (1978)	312,196	27,556	1,340,000
Vanuatu (1980)	154,691	11,880	680,000
Fiji (1970)	715,375	18,272	1,290,000
Polynesia:			
Western Samoa (1962)	178,045	2,935	120,000
Tonga (British Protectorate until 1970)	99,620	699	700,000
Tuvalu (1978)	8,475	26	900,000
Micronesia:			
Kiribati (1979)	66,461	690	3,550,000
Nauru (1968)	8,400	21	320,000
QUASI-SOVEREIGN ENTITIES: (associated with/since)			
Cook Islands (NZ 1965)	17,995	240	1,830,000
Federated States of Micronesia (USA 1987)	86,094	701	2,978,000
Marshall Islands (USA 1987)	66,110	181	2,131,000
Totals	25,131,565	8,475,744	29,059,000
Averages (excluding Australia and New Zealand)	446,914	43,787	1,579,917
Averages (excluding Australia, New Zealand, Papua New Guinea and Fiji)	99,809	4,493	1,454,900

Sources: for populations of Pacific island countries, John C. Dorrance, *The Pacific Islands* (National Defense University, Washington DC, forthcoming), Table I; for land and sea areas of Pacific island countries, South Pacific Commission, *South Pacific Economic Statistical Summary*, 9, 1987; for Australia and New Zealand (all figures), *Australian Yearbook 1989*, and *New Zealand Official Year Book 1987-88*.

Table 2:3: Sovereign and Quasi-Sovereign Countries: Economic Data

	GDP (US$ 000)	Per Capita GDP in US$ (year of GDP figure)
Sovereign States: (year of independence)		
Australia (1901)	223,890,000	(1987-88) 13,595
New Zealand(1907)	36,790,000	(1987-88) 11,149
Papua New Guinea (1975)	2,544,900	(1986) 729
Solomon Islands (1978)	115,000	(1986) 380
Vanuatu (1980)	84,000	(1986) 580
Fiji (1970)	1,165,000	(1987) 1,600
Western Samoa (1962)	102,000	(1986) 520
Tonga (British Protectorate until 1970)	58,783	(1985) 623
Tuvalu (1978)	2,799	(1985) 325
Kiribati (1979)	21,711	(1986) 333
Nauru (1968)	(GNP) 160,000	(GNP 1984) 20,000
Quasi-Sovereign Entities: (associated with/since)		
Cook Islands (NZ 1965)	21,000	(1986) 1,170
Federated States of Micronesia (USA 1987)	106,500	(1985) 1,249
Marshall Islands (USA 1981)	37,900	(1983) 1,121

Sources: for Pacific island countries, John C. Dorrance, *The Pacific Islands* (National Defense University, Washington DC, forthcoming), Table II; for Australia and New Zealand, *The Military Balance, 1989-90.*

Table 2:4: Dependencies - Populations and Areas

	Population	Land Area (km^2)	Sea Area (km^2)
(USA)			
Guam	127,675	541	218,000
American Samoa	37,450	197	390,000
Palau *(Belau)	13,500	494	629,000
Northern Marianas (USA)	20,000	471	1,823,000
(France)			
French Polynesia	190,939	3,265	5,030,000
New Caledonia	164,200	19,103	1,740,000
Wallis and Futuna	14,254	255	300,000
(New Zealand)			
Niue	2,900	259	390,000
Tokelau	1,713	10	290,000
(Great Britain)			
Pitcairn	62	5	800,000
(Australia)			
Torres Strait islands	6000	N.A.	N.A.
(Indonesia)			
Irian Jaya	1,371,000	421,981	N.A.

* Palau's evolution to Associated State status has been blocked by constitutional difficulties because of the conflict between its 'nuclear-free' constitution and the defence provisions of the 'Compact of Free Association' which it has been offered by the United States.

Sources: For populations of Pacific island entities, John C. Dorrance, *The Pacific Islands* (National Defense University, Washington DC, forthcoming), Table I, and New Caledonian census 1989; for land and sea areas (for all except Irian Jaya), South Pacific Commission, *South Pacific Economic Statistical Summary*, 9, 1987; for Irian Jaya (all figures), *Statistik Indonesia 1988*.

Table 2:5: Dependencies - Economic Data

	GDP(US$ 000)	per capita GDP in US$ (years)
(USA)		
Guam	1,029,091	(1986) 8,781
American Samoa	177,084	(1985) 4,988
Palau *(Balau)	31,580	(1983) 2,547
Northern Marianas (USA)	N.A.	N.A.
(France)		
French Polynesia	2,055,814	(1986) 11,674
New Caledonia	789,434	(1984) 5,320
Wallis and Futuna	8,697	(1985) 621
(New Zealand)		
Niue	3,825	(1984) 1,319
Tokelau	1,000	(1983) 670
(Great Britain)		
Pitcairn	N.A.	N.A.
(Australia)		
Torres Strait Islands	N.A.	N.A.
(Indonesia)		
Irian Jaya	740,340	(1986) 540

Sources: for Pacific island entities, John C. Dorrance, *The Pacific Islands* (National Defence University, Washington DC, forthcoming), Table II; for Irian Jaya (all figures), *Statistik Indonesia 1988*.

Table 2:6: Security Forces

	Armed Forces	Para-military	Police	Force Projection Capability
Australia	69,600	-	36,742	modest
New Zealand	12,400	-	5,203	modest
Papua New Guinea	3,350	-	4,824	none
Fiji	5,000	-	1,700	none
Solomon Islands	-	-	445	none
Vanuatu	-	270	250	none
Western Samoa	-	-	330	none
Tonga	350	-	282	none
Tuvalu	-	-	34	none
Kiribati	-	-	234	none
Nauru	-	-	57	none
Cook Islands	-	-	63	none
Federated States of Micronesia	-	-	60	none

Note: Figures for armed services do not include reserves.

Sources: *The Military Balance, 1989-90*; David Hegarty and Peter Polomka (eds), *The Security of Oceania in the 1990s*, Vol.1, *Views from the Region*, Canberra Papers on Strategy and Defence No.60 (Strategic and Defence Studies Centre, Australian National University, Canberra, 1989), p.8; *Australian Yearbook, 1989*; and *New Zealand Official Yearbook, 1987-88*.

CHAPTER THREE

ECONOMIC CONSTRAINTS AND PROSPECTS IN THE SOUTH PACIFIC ISLAND STATES: THE ROLE OF REGIONAL COOPERATION

Rodney Cole

Economic welfare and progress form an integral part of the security, in the broader sense of this term, of the South Pacific island states. In addition, the states' economic problems limit the allocation of resources to defence. This chapter reviews the economic constraints and prospects of these states, discusses the contribution of regional cooperation to their welfare and stability, and highlights the need for the redirection of resources to productive activity and for the development of entrepreneurial skills among island country nationals.

Introduction

In political and economic terms, change was slow in coming to the island states by comparison with most of the rest of the world. Now, however, and not least because of shrinking distances thanks to the communications revolution of the late 20th century, the people of the region are subject to new pressures and perceive new options, other than the Pacific way of life.

Traditional values and customs are being challenged as economies emerge from a subsistence to a monetised basis. The extent to which island leaders are able to manoeuvre within the constraints of their countries' natural resource bases to meet the growing aspirations of their peoples is, with few exceptions, extremely limited. It is therefore critical for the people of the island countries to have access to the good will and cooperation of developed countries that can underwrite, in technical, human and monetary terms, island country aspirations for social and economic development.

As well as the constraints imposed by a narrow resource base, there is a wide range of negative characteristics which beset island

leaders and their peoples in their quest for a way of life different from that of their forbears. These include:

- high rates of population growth and low skill levels;
- low production bases and a limited range of exports;
- small, fragmented domestic markets coupled with high production and transport costs; and
- economies that are vulnerable to internal and external shocks over which they have little or no control.

In their economic planning, the island states of the South Pacific have generally adopted policies which stressed stability and self-sufficiency, rather than growth through an export and services-development orientation. But over the period since these states became independent, the result of this approach has been, despite large inflows of development assistance, disappointing both in terms of human resource development and in per capita GNP (Table 3:1). While population growth rates in the South Pacific states tend to be high, growth as measured by GNP is generally low. It is perhaps ironic, and certainly revealing, that of all the countries in the region Fiji showed a dramatic rise in real GNP of 12.6 per cent in 1989 (after previously poor annual performances) and has sustained this performance into 1990, almost certainly as a direct result of a shift to export and services-oriented policies adopted following the 1987 military coups.

Nonetheless it would be a mistake to place too much emphasis on slow rates of growth in GNP, especially in relation to the smaller countries. In these small, open economies shocks such as cyclones, political upheaval or international commodity price falls can have quite profound effects. Similarly, high rates of cash inflows from emigrants, as in Tonga and Western Samoa, can create favourable balances of payments in economies which suffer from poor export performance. Budget support from Australia to Papua New Guinea, amounting to some 20 per cent of public expenditure, has a major effect on that country's macro-economic policy decision-making process. However, although special factors can affect the overall performance of South Pacific island economies, there is no reason to judge them as different from islands in other regions with similar constraints and weaknesses.

The island states of the region have also put much emphasis on cooperation. The oldest and, by membership, the largest regional organisation designed to foster cooperation among the countries of the southern Pacific Ocean is the South Pacific Commission (SPC). Now including among its participating members countries north of the equator, the Commission has a constituency of 22 island states and entities. Also included in its membership are the former colonial powers, Australia, New Zealand, the United Kingdom, France and the United States of America. The total land mass of the island states and entities within the SPC is 55,000 sq km. Their population is approximately 5.7 million people and their maritime boundaries encompass 29.45 million sq km of ocean (Map 4). The numerous islands which make up these states and entities are widely dispersed. On a global scale of comparison, this is a vast, mainly maritime area, with only a small population.

Table 3:1: Growth Rates in Selected Developing Island Countries

Country	Area '000 km^2	Population '000 1988	Population Growth Rate 1980-1989 %	GNP per Capita 1988 US$	Real GNP Growth per Capita 1980-1988 %
Fiji	18	732	1.9	1,540	-2.2
Hong Kong	1	5,674	1.5	9,230	5.7
Singapore	1	2,639	1.1	9,100	5.8
Western Samoa	3	168	1.0	580	..
Mauritius	2	1,048	1.0	1,810	5.1
Barbados	0	255	0.3	5,990	1.4
Papua New Guinea	462	3,804	2.7	770	-0.1
Malta	0	345	-0.9	5,050	2.8
Kiribati	0.7	67	1.9	650	..
Solomon Islands	28	304	3.7	430	2.3
Tonga	0.7	101	1.4	800	1.6
Vanuatu	12	151	3.2	820	..

Notes: 0 = less than 500 km^2
.. not available

Sources: World Bank, *World Development Report, 1988,* (Oxford University Press, New York, 1988); World Bank, *The World Atlas,* (Washington DC, 1989).

Economic Performance in the South Pacific: The Colonial Background

With the exception of Tonga, all the island states were at one time under the control of foreign powers. Australia and New Zealand, once colonies themselves, exercised control over the former Territory of New Guinea and Western Samoa respectively under a League of Nations (subsequently United Nations) mandate. The French territories have a particular subordinate political relationship with metropolitan France which denies them the right to seek membership of the South Pacific Forum. A similar position applied until recently to the United States Trust Territories north of the equator.

Under colonial rule the political and economic development of the island groups proceeded on broadly similar lines. In the nineteenth century little attention was paid to the social or economic needs of the indigenous inhabitants. Islands were useful as coaling stations for merchant shipping or warships but little else. Law and order was the prime concern of colonial governments, and costs were kept as low as possible. The productive base was the ubiquitous coconut.

Late in the nineteenth century sugar, rubber and cotton (the latter two crops failed to thrive) were introduced in Fiji, and rubber, and later coffee, in Papua New Guinea. The plantation mode of agriculture predominated and little effort was made to involve the indigenous population in the monetised economy. The Second World War was the catalyst for change. The islands were called upon to provide much-needed raw materials, manpower or bases for their colonial masters. Money, as a means of acquiring goods and moving from the subsistence style of life, became better understood. The pace of change slackened in the late 1940s and the 1950s. However, the 'winds of change' that had swept Africa in the post-war years blew through the South Pacific in the 1960s and 1970s. Independence was thrust upon most of the islands, with only limited regard for their future.

It would be unfair, however, to suggest that colonial powers cast their possessions aside without making some provision for their well-being. In the cases of Kiribati, Vanuatu, Tuvalu and Papua New Guinea, their low revenue bases were recognised and aid packages

were introduced which incorporated budget support, albeit on a declining scale. Moreover, all of the former colonies in the region have been able to negotiate project aid on a continuing basis from their former colonial powers.

With the exception of those countries having mineral resources (Papua New Guinea and Fiji) or phosphate deposits (Nauru and Kiribati), the islands at the time of independence were very much plantation-oriented economies. Coconut plantations predominated but since independence increasing attention has been given to the development of cocoa (Papua New Guinea, Solomon Islands and Western Samoa), oil palm (Papua New Guinea and Solomon Islands), and coffee (Papua New Guinea). Forestry, fisheries and service industries, especially tourism, have also been developed, as discussed below.

From Subsistence to Monetised Economies

It is only in the last 40 years, with the advent of the aeroplane and relatively inexpensive travel, that the frontiers of the South Pacific have shrunk. Parts of Papua New Guinea were introduced to the aeroplane before the wheel was known as a form of transport. Gradually contact with the West has spread, bringing with it the costs and benefits of 'civilization' as defined in Western terms.

A major break with tradition has taken place in agriculture where subsistence production has often given way to a form of farming which seeks not only to provide for domestic needs but also to produce a surplus which can be disposed of for cash. At the same time, new crops, (cocoa, coffee or oil palms), together with livestock production, have resulted in the introduction of systems of land usage which reflect individualism rather than the more traditional forms of kin-group or communal management. The driving force behind this change has inevitably been money or, more specifically, the things money can buy - vehicles, kerosene, beer, transistor radios, tinned fish or rice, to name but a few of the motivating factors.

In the fields of health and education there has also been change, albeit difficult, expensive and usually slow. Overall the transition from pre-contact to a modern society has been drawn out. In Papua New Guinea, for example, some 85 per cent of the population still lives a semi-subsistence lifestyle. Literacy rates vary widely

throughout the region. Some 55 per cent of the population over 15 years of age in Papua New Guinea is unable to read or write, whereas in Fiji only 15 per cent of the population is judged illiterate.

In general terms, the people of Polynesia are judged to be better off in Western terms than their fellow islanders, the Melanesians and Micronesians to the west and north. This is largely a matter of both history and geography. The eastern states are smaller and were established as mission centres and trading posts well before there was any semblance of penetration into the rugged hinterlands of Papua New Guinea and Solomon Islands. However, the resources of the western islands are greater and over time parity in social and economic progress will be achieved. Despite the differences between countries there is the common thread provided by the perceived benefits of the cash economy. This widespread attitude will hasten the breakdown of traditional systems and lead to the emergence of new lifestyles and customs in the Pacific.

Resources and Exports

When Western systems of agricultural production were first introduced to the islands it was inevitable that ownership of the commercial plantations should also be in Western hands. Capital for development, knowledge of new husbandry methods, access to markets were all the prerogative of the newcomers. With political change, however, has come economic change, and gradually ownership of both primary and secondary industries is passing into indigenous hands. For example, in Papua New Guinea some 55 per cent of agricultural production is now derived from cash crops with 90 per cent of agricultural exports comprising cocoa, copra, coffee and palm oil. Of these crops, two-thirds are produced by indigenous smallholders. In Fiji, the Australian-based Colonial Sugar Refining Company has long since sold out to the locally owned Fiji Sugar Corporation, which is the sole processor of cane in that country. Also the major fish processing corporation in Fiji, PAFCO Ltd, has recently been taken over from Japanese interests by the government and a small group of local shareholders.

As primary production moves into local hands and populations expand it becomes increasingly important to identify options for adding value to existing products before export and to

develop activities more lucrative than those existing already. While coconut products remain important both for domestic consumption and as an export commodity, ageing palms and declining world prices make this traditional product of the region increasingly less attractive to both plantation and smallholder producers. Some countries have attempted to pursue the value-added route. For example, Western Samoa has installed costly coconut oil producing facilities, while Tonga, with extensive Australian aid, has sought to develop a desiccated coconut industry. Neither activity has proved successful; inefficient plant, high operating costs and distance from markets have contributed to low returns on capital. The saving of the schemes, if this is possible, will only be the result of cheap or nil-cost capital provided by aid agencies.

An alternative to mono-crop coconut plantations is inter-cultivation with coffee or cocoa or the introduction of cattle, as in the Solomon Islands. Work, presently at the research stage, on the more effective extraction of the meat, local processing, and the use of waste products for electric power generation may justify expensive replanting, but the fate of the coconut palm is still to be resolved.

Throughout the region new crops are being considered. In Papua New Guinea, with its high altitudes, new crops such as cardamons, tea and pyrethrum have been introduced, but in the other islands of the region, lowland tropical agriculture must persist. Oil palms have been grown successfully in Papua New Guinea and Solomon Islands, but the other islands are outside the latitudes within which this tree will thrive. Rice, with its qualities of ease of storage, long shelf-life and portability, has been the target of successive agricultural experiments in Papua New Guinea and Solomon Islands, as a substitute for the traditional yam or sweet potato, with quite dramatic failures. Fiji persists in seeking to be at least partially self-sufficient in rice, but has a long way to go. Sugar will continue to dominate agricultural production in Fiji. It contributed 21 per cent of GDP (factor cost) in 1987. Sugar has been introduced in Papua New Guinea to meet local needs, but at considerable cost because of the high level of protection needed to ensure success.

In Tonga, vanilla and taro have been grown for export with success. Western Samoa has also developed a successful taro export industry, mainly to the USA and Canada. Kiribati remains a copra

producer, with few options for new agricultural pursuits because of its atoll characteristics.

Timber has great potential in both Papua New Guinea and Solomon Islands with the export of local species in log or processed (sawn or veneer) form. Problems include assuring effective management, the (at times) inflated claims of traditional owners, and the re-establishment of plantations. Fiji, too, has a well-developed forestry industry exporting veneers and sawn timber. An introduced species, *Pinus Carribean*, is flourishing on the drier, less fertile parts of the two main islands and is being exported as chips and sawn timber. Some timber potential exists in Vanuatu, but forest policy is still being developed.

Much effort has been devoted to the development of livestock industries in the island states, for a variety of reasons: as a source of protein, as having export potential, and as providing import substition. Cattle, poultry, pigs and even sheep have been introduced with varying degrees of success. Cattle have been a failure in Papua New Guinea and, to a lesser extent, in Solomon Islands, where large areas of croplands were enclosed and scarce extension resources devoted to this new, potentially income-earning, activity. Vanuatu and Fiji have had more success, the former country developing a modest but useful export trade while a reasonable degree of import substitution has been achieved in the latter. Western Samoa, with support from Australian aid, has tried cattle but success has been limited.

At some cost, the broiler and egg production industry has done well in Fiji and Papua New Guinea, where self-sufficiency has been achieved through high levels of protection. Poultry is seen as a reasonably cheap source of protein, particularly in Tonga and Western Samoa where (along with mutton flaps) turkey tails and chicken backs are an important New Zealand-sourced import. Efforts to develop a home-based industry of reasonable size in these countries have so far failed.

The adoption of the Convention of the Law of the Sea by South Pacific governments and the creation of Exclusive Economic Zones (EEZs) has meant a great deal to the island states, not only in the development of their domestic fishing industries but also by giving them the opportunity to trade the rights to fish in such zones with the major fishing nations. Solomon Islands has led the way in exploiting

the fishery potential of the region. Two local companies operate, one owned by government on a share basis with a Japanese partner and the other wholly government owned. A new fishing port and cannery was opened at Noro on North New Georgia Island in 1989, leading to increased production. The Fiji government has recently acquired 100 per cent ownership of the fishing company, PAFCO, and high-quality canned tuna is being produced for the American and European markets. Kiribati and Vanuatu are interested in fish canning, but in the latter country the costly failure of one enterprise in recent years deters future development. Both countries have in the past traded rights to fish in their EEZs.

Overshadowing all else by way of natural resources in the region is the vast mineral and petroleum potential of Papua New Guinea. Copper and gold production has been developed at Panguna on Bougainville Island (now the subject of a grave political crisis with the mine closed since May 1989), and at Ok Tedi in the Western Province. Gold mines are either developed or well on the way to production at Misma (Milne Bay Province) and Porgera (Enga Province), and potential for further large gold mines exists. Fiji has produced gold, mainly from the Vatukoula mine on Viti Levu, for nearly 60 years. Exploration proceeds apace in Solomon Islands, thus far without any major mine being launched. There is no production in the other island states. These three mining states owe their gold potential to the so-called 'Rim of Fire', the collision zone between the Australian and Pacific crustal plates, from which has emerged an irregular chain of volcanic islands along the southwest margin of the Pacific Ocean.

Natural Resources: Is Potential Limited?

Within the limits of tropical agriculture, the Pacific island states have developed an impressive range of enterprises. Natural resources have proved the basis for entry to the monetised economy for those members of their population seeking more from life than mere subsistence. They have also provided the vehicle for entry to international commerce. But changes are taking place within the domestic economies of the islands, despite the fairly consistent role of agriculture as a component of GDP.

Table 3:2: Changes in Percentage Share of GDP: Selected Countries (factor cost: 1980 prices)

Country	Year	Agriculture	Industry	Services
Papua New Guinea	1980	33	27	40
	1987	34	29	37
Fiji	1976	21	20	59
	1987	24	19	57
Vanuatu	1979	20	16	64
	1986	29	9	62
Tonga	1976	48	9	43
	1986	33	13	54

Source: *World Tables 1988-89*, (Johns Hopkins University Press, Baltimore, 1989).

The international market-place takes little cognisance of the problems facing developing countries as they strive to improve the lot of their expanding populations. In their efforts to ensure fair and reasonable returns to growers, particularly at the village level, island governments have intervened in the market-place through the establishment of commodity boards, which seek to ensure that the worst excesses of private marketing agencies are avoided. Within the region coffee, cocoa and copra, essentially village-based crops, are sold through statutory marketing or commodity boards. It has not been established that these do, in fact, offer the protection they aim at. Inefficiencies in handling and management are known to exist. Perhaps a factor which contributes to their continuation is the European Community's price stabilisation scheme, STABEX, which serves to shield growers from the major disadvantages of the system. But price support schemes encouraged by STABEX cannot continue indefinitely, and already in Papua New Guinea it is only through government financial intervention that the production of coffee, copra and cocoa has not been seriously disrupted by falling world prices.

Agriculture remains and will be, for the foreseeable future, the basis of South Pacific island economies. Support for agriculture through stabilisation funds and STABEX is seen by many as crucial to keeping the rural community settled and on the farm. The failure of

agriculture to provide a basic lifestyle could result in a serious growth in urban populations, with consequent pressure on services and costs of government. Further, the move to towns and cities by youth, usually unemployed, creates serious law and order problems, as is happening in the main centres of Papua New Guinea. This in turn can inhibit foreign investment and exert a downward pressure on growth. It is therefore important that the island states and supporting aid agencies recognise the necessity to ensure the continuation of agriculture, not at the subsistence level but as a growth industry which encourages people to remain in rural areas. If such recognition is to call on financial resources to support extension services, marketing facilities, credit for new activities and training of the farming community, then the call must be answered not only by governments but also by the international aid community.

In those countries fortunate to have mining resources - gold, copper, petroleum - the private sector will inevitably provide the necessary capital and expertise to ensure development. The role of government will be to provide the essential infrastructure, both legislative and physical, and to extract a realistic level of rent. The effects of a 'booming sector' in mining must be avoided by drawing off surplus revenues and acting to sterilise these by directing them off-shore or using them, within reason, to improve conditions in other sectors of the economy.

Primary production will always provide a way of life for island communities, but it is questionable whether it can expand substantially and continue the role it has played for so long as the mainstay of island economies. Mining offers an alternative in some countries, but unless effectively managed can create as many problems as it resolves. The islands must look to alternative growth patterns if stability and progress are to be maintained.

Remittances: Can They Last?

Two Pacific island countries in particular, Tonga and Western Samoa, have been fortunate in the flow of financial transfers (remittances) from emigrants and have come to rely on them to maintain their balance of payments position. Faced with growing levels of imports and declining exports, it is only these 'gifts of

Table 3:3: Primary Produce Exports (million US$): Selected South Pacific States, 1988

	Gold	Copper	Fish	Timber	Sugar	Coconut Products	Coffee	Cocoa	Palm Oil
Papua New Guinea	467.4	515.6	8.7[a]	112.5[b]	..	42.5	131.0	53.1	38.0
Solomon Islands	0.7	..	37.6	18.9	..	7.5	..	3.6	6.7
Vanuatu	..	..	2.3[c]	1.0	1.9	9.1	..	1.1	..
Fiji	57.0	..	32.7	10.0	138.3	2.4	..	..	..
Tonga[d]	..	..	0.9	0.9[e]	..	1.5	..	..	..
Western Samoa	..	..	2.5[f]	0.5	..	8.9	..	0.6	..
Kiribati	..	..	1.3	..	..	3.3	..	..	..

[a] = Marine products
[b] = Forest products
[c] = Beef
[d] = 1987
[e] = Vanilla beans
[f] = Taro

Sources: Bank of Papua New Guinea, *Quarterly Economic Bulletin*, September 1989; Central Bank of Solomon Islands, *Mid-Year Economic Review*, September 1989; Government of Vanuatu Statistics Office, *Vanuatu Statistical Bulletin*, 1989; Fiji Bureau of Statistics, *Current Economic Statistics*, April 1989; National Centre for Development Studies, *Pacific Economic Bulletin*, (Vol.4, No.2), December 1989; Central Bank of Samoa, *Central Bank of Samoa Bulletin*, March 1989; Kiribati Statistics Office, *Kiribati Statistical Year Book of 1988*, July 1989.

conscience' which ensure that the countries do not slide into economic anarchy.

Table 3:4: Remittances Compared with Imports and Exports: Tonga, Western Samoa

Country	Year	Remittances	Exports	Imports
Tonga ($T mill)	1986/87	38.4	8.8	64.5
Western Samoa ($WS)	1988	73.7	30.6	155.1

Sources: *Tonga: Statistical Abstract 1987,* (Statistics Department, Government of Tonga); *Western Samoa: Central Bank Report 1988.*

The continuation of the flow of remittances depends on two factors:

- the on-going commitment of emigrants to support relatives or institutions, mainly churches, in their home countries;
- the readiness of migrant destination countries, chiefly the United States, Canada, Australia and New Zealand, to accept both short-term and permanent migrants and to allow the remittance of funds.

There has been much debate on the first factor but, while there are suggestions that the level of remittances is falling, the data fails to substantiate this unequivocally. Perhaps over a period, as migrants adapt to their new environment, the traditional sense of obligation will decline. To offset this is the steady outflow of people, usually young and well educated, who find ready employment in their new country. From time to time New Zealand, a major destination, has endeavoured to reduce the flow of migrants, but the inevitable political back-lash has been hard to resist and migrant quotas for the South Pacific remain high.

As yet, migration from the Melanesian countries (Papua New Guinea, Solomon Islands and Vanuatu) has been negligible, but it could develop as pressure on land increases and aspirations heighten.

Fiji, which had already experienced a steady outflow of citizens (mainly ethnic Indians) before the military coups of 1987, now faces a serious decline in its skilled work-force through increased emigration. However it is not expected that emigrants from Melanesia and Fiji will make any major contribution to their home country economies through remittances. At best, only those two countries already enjoying the benefit of transfers, namely Tonga and Western Samoa, can expect them to continue for the foreseeable future. Overall, therefore, remittances should not be taken for granted as a means of maintaining positive balance of payments.

Services: The Way To Go

If the primary production capacity of the island states is limited, both in terms of increased production and value added in exports, what alternative routes are available to the islands in their search for sustainable economies? For most, the best option would appear to be services - mainly tourism.

The potential for the development of a viable tourist industry is well recognised in all the countries under review, although in Papua New Guinea the present poor law and order situation is a deterrent. There is still a great deal of ambiguity among island people in their attitude to tourism. They recognise its value in dollar terms and employment prospects, but at times resent the industry for its perceived potential ill effects on island culture and morality, especially in relation to young people. But, in strictly economic terms, the facts speak for themselves.

Regional and local bodies have been established to promote tourism. International agencies recognising the region's potential have funded a number of surveys aimed at identifying the potential of individual countries and opportunities for loans to develop infrastructure.

Table 3:5: Contribution of Gross Tourist Receipts to Exports and Employment

Country	Year	Gross tourist receipts as % of all exports	Tourist generated employment as a % of all paid employment
Fiji	1987	33	31
Vanuatu	1984	27	20
Western Samoa	1979	16-25	2.7
Tonga	1986	68	2
Solomon Islands	1981	4-5	1

Note: Tongan tourist figures include nationals returning on vacation.
Source: Commonwealth of Australia, Joint Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with the South Pacific,* (Australian Government Publishing Service, Canberra 1989), p.26.

A major constraint to the effective development of Pacific tourism is the inefficient service provided by domestic and international airlines. If this constraint can be overcome, and if local people can be persuaded to recognise the industry as a critical feature of national progress, the future of tourism in the South Pacific seems assured.

As with tourism, the success of other service industries in the South Pacific will depend on national attitudes towards the foreign investor. Political stability, consistent and sensible policies, a realistic labour market, and good communications will encourage the establishment of service industries in the region. These could include finance, communications and investment centres, hub points for international aircraft and vessels, registries for foreign shipping. Versatility is important in the development of service centres: Vanuatu and the Cook Islands are profiting from finance centres; Kiribati and Tuvalu are training seamen for service in international shipping lines. These activities are important contributions to the economic future of these countries.

Aid: Danger Signals

In the immediate post-independence period, the South Pacific states relied very much on former colonial powers for financial assistance to support both infrastructure and human resource development. For Kiribati and Vanuatu, budget aid was essential to maintain levels of public service. In Tuvalu, aid donors have contributed to the establishment of a Trust Fund, the interest from which maintains the level of public revenues. Papua New Guinea is probably the outstanding example of budget support from a former colonial power: Australia currently provides annual grants of A$275 million to the national public investment program, as well as support through defence cooperation.

While budget aid (except in the case of Papua New Guinea) has ceased, project aid has continued. At the same time, new players have entered the aid field in the South Pacific. These include both individual countries (Table 3:6) and multilateral agencies. External support is welcomed but there could be real danger in an over-abundance of aid, which could distort the economic future of the islands. In the case of Papua New Guinea, for example, it has been argued that large amounts of grant aid detract from the need to make macro-economic policy decisions best suited to national needs. The effect of too much aid is akin to that of a 'booming' sector. Scarce human resources are drawn into government service, encouraging wages and salaries growth in the public sector. High wages then spread to other parts of the economy, discouraging exports and encouraging imports. As a result, through the balance of payments, there is upward pressure on the exchange rate. A major sufferer is the private sector, which increasingly must be responsible for growth in the island economies.

The possible negative effects of aid and donor support for the island economies is not an argument against such support. However care should be taken to avoid an over-reliance on aid as a major instrument of growth. It is important that there be an ongoing dialogue and effective coordination between donors and recipients, to ensure that aid flows into the most appropriate sectors of national economies. Planning in the traditional form is not enough and usually only provides a vision for aid donors of the likely direction of their support. Short-term plans which take full account of the macro- and

Table 3:6: ODA in the South Pacific, 1986[1] (US$ million)

	Recipient												
	PNG	Cook Islands	Fiji	Kiribati	French Territories (2)	Niue	PITT (3)	Solomon Islands	Tonga	Tuvalu	Vanuatu	Western Samoa	Total
Donor													
Australia	222.32	0.55	13.75	2.38	0.12	0.25	0.25	9.99	4.40	0.92	5.29	3.43	263.65
Canada	0.22	0.03	0.29	0.07	-	-	-	0.08	0.07	0.07	0.12	0.08	1.03
Finland	0.01	-	0.04	0.01	0.02	-	-	0.01	0.01	-	-	0.01	0.11
France	0.21	-	0.60	-	452.33	-	-	0.02	0.04	-	6.92	0.11	460.23
Germany (FR)	5.87	0.13	1.37	0.02	-	-	-	0.11	1.01	0.01	-	1.89	10.41
Japan	10.43	2.12	10.98	4.31	0.23	-	11.29	0.97	3.57	0.06	1.13	9.16	54.25
Netherlands	0.30	0.15	0.36	-	-	-	0.24	0.11	0.13	-	-	0.02	1.31
New Zealand	1.73	22.54	2.27	0.90	-	3.66	-	1.40	2.14	1.18	0.99	3.35	40.16
UK	0.24	-	1.57	4.23	-	-	-	5.54	0.13	1.56	6.31	-	19.58
USA	1.00	-	1.00	-	-	-	219.00	1.00	-	-	-	-	222.00
Total	242.33	25.52	32.23	11.92	452.70	3.91	230.78	19.23	11.50	3.80	20.76	18.05	1,072.73

Notes: (1) These figures are not exhaustive and do not include ODA from a number of smaller countries or from multilateral sources. They also do not indicate ebbs and flows in aid program levels: a number of donors undertake a large activity over one or two years but may not necessarily have an ongoing commitment to maintaining those high expenditure levels. Figures are also given in terms of US$ and are for a period when the Australian dollar was low. The proportion of Australian contributions has now increased substantially with the higher value of the Australian dollar compared to the United States dollar.
(2) Includes New Caledonia, French Polynesia, and Wallis and Futuna.
(3) Pacific Island Trust Territories.

Source: Commonwealth of Australia, Joint Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with the South Pacific*, (Australian Government Publishing Service, Canberra, 1989).

micro-economic needs of the islands, particularly in the promotion of the private sector, are now essential if these countries are to avoid perpetual dependency on high levels of external financial assistance.

Financing Growth: How Does It Happen?

The propensity to save in the island states is limited. Domestic savings for capital investment are low, and remittances where they occur are generally directed to non-productive enterprises. Taxation is not excessive, given the very narrow tax base of these countries; indeed, a case could be made for increasing the contribution of primary producers to public expenditure programs. Gaps in public capital expenditure programs can usually be bridged by international lending agencies anxious to meet targets set by their management. Increasingly, however, governments are turning to national provident funds and pension schemes as a means of reducing dependence on off-shore sources of development finance.

In the private sector, commercial banks play a role in financing trading operations and domestic housing, but are not major contributors to capital-intensive projects. The role of long-term investors falls to national development finance institutions or foreign investors such as the British Commonwealth Development Corporation. As the island countries come to realise that governments alone are no longer capable of providing the levels of economic growth necessary to meet the aspirations of increasingly sophisticated populations, so the spotlight turns to the private sector. Since the coups of 1987, Fiji has led the way in creating an atmosphere conducive to private sector development. Not through regulation and policies which encourage import substitution, but instead through creating a climate which welcomes the foreign investor. This involves tax-free production zones, customs concessions, and deregulation as well as assistance with obtaining industrial sites, operating costs and trained staff. If export-oriented policies are to succeed much will depend on markets, quality of output, and an ability to meet delivery schedules.

Funds for on-lending to agriculture, particularly to small-holders, as well as to commercial and industrial firms, are available through nationally owned development banks. These banks are not

debarred by statute from lending to foreign-owned enterprises but, in practice, they will only assist when local demand has been satisfied. The World Bank and Asian Development Bank (ADB) have been major supporters of development banks. Bilateral donors play a useful role in providing equity and training courses for development banks.

Increasingly, foreign direct investment (FDI) is being explored as a new avenue for development support in the island states. The International Finance Corporation is taking a prominent role in opening up this method of assisting private sector growth.

The Private Sector

In the island states of the South Pacific, the government has often been seen as the leader in economic development activity. This attitude seems to result from both the colonial heritage and from chiefly and communitarian traditions. Government has been expected to set the pace, creating the sort of social and economic environment which would lead to the needs of the people being met: adequate education and housing, suitable levels of income, and a general form of security similar to that afforded by the village communities of the past. In this scenario the private sector, commerce and industry, has been regarded as necessary but playing a secondary role.

But now changes are taking place. The inability of governments to provide employment for all who want it, to ensure economic growth, and to support the aged and infirm as traditional social support systems break down is increasingly recognised, although for many this recognition comes as a shock. Increasingly, the private sector is being looked to as an alternative leader in economic development, with governments being left to provide the physical and legal infrastructure.

Recognising the importance of this change in attitudes, the Pacific Islands Development Program of the East-West Center, Hawaii, recently initiated a private sector study in which trade, investment finance, development banks and small business activity were reviewed. The findings of the study were discussed in 1990 at the annual meeting, under PIDP auspices, of island policy-makers, the Pacific Islands Conference. This meeting formally endorsed the role and importance of the private sector in the development of the island states. Recognition of the need to support the private sector is one

thing, to act positively is another. If the change is to succeed, cooperation between all sectors of island communities will be essential, coupled with active support both technical and financial from bilateral and multilateral agencies. Indications at the Conference were that this cooperation will be forthcoming, but only time will tell.

Cooperation: Regional and International

Why is Cooperation Necessary?

The metamorphosis of the economies of the island states from their relative isolation and self sufficiency in the pre-European contact period to semi-modern economies of the Western variety is heightening their vulnerability, both in economic and political terms. Their characteristics of small size, isolation, and limited resources make them less able to withstand both internal and external shocks than when they had virtually no contact with the outside world. The island countries now have a high level of dependency on others for food, fuel, medicine, education - indeed all those features of life which contribute to the quality now so sought after. None are yet self-sufficient, although in time one or two may achieve, to a fair degree, the ability to survive on the basis of their own resources. This implies the need to rely on outsiders both for economic aid to support development programs and for strategic support to deter others from interference in their domestic affairs.

Economic cooperation between the island states is important not only for their economic well-being but also as a basis upon which they can build a framework for strategic cooperation. This cooperation provides an alternative to the military defence of their frontiers and interests, given that self-sufficient national self-defence is an option which none (except perhaps Fiji) can contemplate. While there is little evidence of any form of military threat to the island states, economic networking which can underwrite security links between individual states is desirable to underwrite longer term security in the complex and volatile wider Asia/Pacific region.

Is Cooperation Practical?

If cooperation between the states in economic matters is to take place, it is essential to understand just where the options lie.

Small states, while having a voice formally equivalent to that of major powers in international gatherings, have little clout in the international economic scene. They are usually price-takers and their open economies are seldom seen as major targets for the world's exporting giants. As yet the South Pacific island states have taken few concerted, united stands on the political front, except to condemn French nuclear testing in the South Pacific and the use of drift-nets in fishing the waters of the region. The only specifically political regional body is the Melanesian Spearhead Group, comprising Papua New Guinea, Vanuatu and Solomon Islands. Recently the Spearhead Group admitted to membership the New Caledonian nationalist group, FLNKS, thus setting a precedent which may have implications for other regional groupings.

There are good reasons for unity among the South Pacific island states and, as will be seen, the level of cooperation is high in a number of areas. Yet, at the same time, there is a degree of unrestrained national self-interest and some divisions based on ethnic background. For example, at the time of Fiji's first military coup most other South Pacific island states, while not supporting the action of the military, had an understanding of the pro-indigenous motives which led to the coup. By and large, where self-interest dictates, cooperation is readily achieved.

Cooperation in Trade

Because they tend to produce similar primary products, and to a degree have similar secondary industries, trade among the islands is minimal (Table 3:7). Items traded are mainly foodstuffs. In the case of Fiji, sugar is sold under a regional agreement to member countries of the South Pacific Forum. Otherwise no formal agreements exist. There have been some attempts to identify ways and means of expanding intra-regional trade by the reduction of tariff barriers between the islands, but the implications of such a move need to be very carefully analysed as government revenues of all the states rely heavily on import taxes.

Regional Organisations

The Pacific island states are served by a large number of general and specific regional organisations, within which they can

Table 3:7: Trade Among the Pacific Islands, 1987 (thousand US$)

Exporter	Papua New Guinea	Solomon Islands	Vanuatu	Fiji	Tonga	Western Samoa	Kiribati	Other Islands
Papua New Guinea	..	4,724.0		765.0	7.0			..
Solomon Islands	457.0	..	357.0	1,714.0				2,058
Vanuatu			..					1
Fiji	..	2,331.0	1,559.0	..	3,920.0	3,135.0	1,114.0	4,727
Tonga	0.7	0.7		8.4	..	6.3		587
Western Samoa				28.0	20.0	..		259
Kiribati				950.0	100.0		..	11

.. = not known

Sources: Central Bank of Solomon Islands, *Statistical Bulletin, First Quarter of 1988*, 1988; Government of Vanuatu Statistics Office, *Vanuatu Statistical Bulletin*, 1989; Fiji Bureau of Statistics, *Current Economic Statistics*, April 1989; Tonga Statistics Department, *Foreign Trade for 1987*; Central Bank of Samoa, *Central Bank of Samoa Bulletin*, March 1989; Kiribati Statistics Office, *Kiribati Statistical Year Book of 1988*, July 1989.

Table 3:8: SPC Technical Functions

Agriculture:	food crop diversification; coconut development
Plant protection	
Marine resources:	deep sea and regional fisheries development; regional fisheries training program
Environmental management:	South Pacific Regional Environment Program (SPREP)
Rural development:	integrated rural development programs; rural development training
Rural technology	
Community health services:	training and education; non-communicable disease prevention and control; South Pacific Epidemiological and Health Information Services; rural water supply and sanitation; food hygiene
Socio-economic statistical services:	training in development of regional statistics; technical assistance and training in census, demography and population data
Women's programs and activities	
Community education training	
Regional media centre	
Information services:	library resources and training

cooperate on economic and other matters. The oldest is the South Pacific Commission (SPC), established after the Second World War to foster economic and social relations between the metropolitan powers of the region and their colonies. The SPC has been responsible for a wide range of regional activities in both a coordinating and implementation role, as Table 3:8 illustrates. While, as will be seen, its domination as a regional body has diminished, it still provides a valuable forum for 22 island member countries from the region as well as Australia, New Zealand, the United Kingdom, the United States and France.

The discussion of political issues within SPC meetings was specifically excluded. Accordingly, once they had gained independence, an increasing number of countries felt frustrated by their inability to debate and issue statements on what were considered crucial regional issues, such as nuclear testing. In 1971, responding to their inability to pronounce on political issues, the newly independent and self-governing island states, along with Australia and New Zealand, established the South Pacific Forum, also known as the Forum Island Countries (FICs). This body is serviced by the South Pacific Economic Cooperation (SPEC) Bureau, recently renamed the Forum Secretariat (FS). The FICs have excluded non-regional states and dependent territories from membership. Accordingly, the Forum is seen as a more truly regional body. In addition to developing its own agenda, the Forum has been invited to act as the coordinating body for the European Community's South Pacific Regional Program.

The role of the Forum Secretariat is not to compete with the SPC but to provide a means whereby the economic interests of member states are promoted in the international arena. The recent reconstitution of SPEC as the FS has resulted in the establishment of a number of divisions with discrete functions, as is detailed in Table 3:9.

It was inevitable that there should be a clash of interests between the long-established SPC and the new, assertive, wholly regional Forum. For several years the debate continued on the need for a 'single regional organisation' (SRO) to meet the needs of the island states both in their dealings with each other and the world at large. Papua New Guinea led the push for the absorption of SPC by the Forum group, but only with the exclusion of the non-regional

Table 3:9: Forum Secretariat: Structure and Functions

Management Services Division: accounting, property and stores, information and public relations

Economic Services Division:

- Analysis and Planning Subdivision, to collect, analyse and disseminate economic data;
- advise on FIC macro-economic issues;
- provide economic advice and assistance on projects for the FS, FICs and aid donors;
- Aid Coordination Subdivision, to promote the more effective use of foreign aid

Political and Legal Division: support for political activities

ACP/EC Unit: to facilitate the implementation of regional projects funded by the European Community

Trade Division: to assist in the implementation of trade agreements, promote intra- and inter-regional trade, support private sector development, undertake research and feasibility studies

FS Projects: management of specific *ad hoc* projects

Transport Division: deals with regional issues and developments in sea and air transport

Telecommunications Division: deals with the needs of the region and member countries to upgrade the overall level of telecommunication services

Energy Division: supports the development and implementation of projects and programs in the energy sector

Tourism Division: promotes tourism in its widest sense as a factor in the development of member states

Table 3:10: Trading Partners: Imports (million US$) and Percentage Share,1987

	Australia	New Zealand	EC	Japan	USA	Other	Total
Papua New Guinea	475.4 (43.3)	41.4 (3.8)	63.3 (5.8)	204.3 (18.6)	88.8 (8.1)	224.9 (20.5)	1,098.1
Solomon Islands	27.9 (44.5)	5.3 (8.5)	4.4 (7.0)	12.9 (20.6)	1.9 (3.0)	10.3 (16.4)	62.7
Vanuatu	23.5 (34.7)	9.5 (14.0)	3.2 (4.7)	8.7 (12.8)	–	22.9 (33.8)	67.8
Fiji	107.4 (28.7)	63.3 (16.9)	20.3 (5.4)	45.3 (12.1)	19.6 (5.2)	117.9 (31.5)	373.8
Tonga	12.3 (25.7)	17.2 (35.9)	3.1 (6.5)	4.2 (8.8)	1.8 (3.8)	9.3 (19.4)	47.9
Western Samoa	11.1 (18.0)	25.5 (41.3)	6.4 (10.4)	7.9 (12.8)	3.4 (5.5)	7.5 (12.1)	61.8
Kiribati	7.7 (43.5)	1.3 (7.3)	0.3 (1.7)	2.1 (11.9)	0.8 (4.5)	5.5 (31.1)	17.7

Sources: Bank of Papua New Guinea, *Quarterly Economic Bulletin*, September 1989; Central Bank of Solomon Islands, *Mid-Year Economic Review*, September 1989; Government of Vanuatu Statistics Office, *Vanuatu Statistical Bulletin*, 1989; Fiji Bureau of Statistics, *Current Economic Statistics*, April 1989; Tonga Statistics Department, *Foreign Trade Report for 1987*, 1988; Central Bank of Samoa, *Central Bank of Samoa Bulletin*, March 1989; Kiribati Statistics Office, *Kiribati Statistical Year Book of 1988*, July 1989.

Table 3:11: Trading Partners: Domestic Exports (million US$) and Percentage Share,1987

	Australia	New Zealand	EC	Japan	USA	Other	Total
Papua New Guinea	93.4 (7.5)	5.4 (0.4)	433.1 (35.1)	331.7 (26.8)	24.3 (2.0)	348.8 (28.2)	1,236.6
Solomon Islands	2.2 (3.5)	0.9 (1.4)	14.2 (22.3)	22.8 (35.8)	3.3 (5.2)	20.3 (31.9)	63.7
Vanuatu	0.3 (2.2)	–	6.4 (47.1)	3.7 (27.2)	– –	3.2 (23.5)	13.7
Fiji	52.5 (19.7)	12.9 (4.8)	111.2[a] (41.7)	9.4 (3.5)	14.1 (5.3)	66.3 (24.9)	266.4
Tonga	1.7 (27.4)	2.4 (38.7)	–	0.1 (1.6)	1.0 (16.1)	1.0 (16.1)	6.2
Western Samoa	2.3 (19.7)	4.3 (36.8)	1.7[b] (14.5)	–	1.6 (13.7)	1.8 (15.4)	11.7
Kiribati	0.1 (6.7)	0.1 (6.7)	0.7 (46.7)	–	0.2 (13.3)	0.4 (26.7)	6.5

a) Only United Kingdom
b) Europe

Sources: Bank of Papua New Guinea, *Quarterly Economic Bulletin*, September 1989; Central Bank of Solomon Islands, *Statistical Bulletin, External Trade*, First Quarter 1988; Government of Vanuatu Statistics Office, *Vanuatu Statistical Bulletin*, 1989; Fiji Bureau of Statistics, *Statistical News*, January-December 1988; Tonga Statistics Department, *Foreign Trade Report for 1987*, July 1988; Bank of Samoa, *Central Bank of Samoa Bulletin*, March 1989; Kiribati Statistics Office, *Kiribati Statistical Year Book of 1988*, July 1989.

participants. One thorny problem was that continued funding from non-regional participants would not be guaranteed if they were excluded from organisational involvement. In the typical 'Pacific way', consensus was sought to avoid any major political disruption and ultimately a compromise was reached: a new body emerged, the South Pacific Organisations Coordinating Committee (SPOCC), which provides an interface between those specifically regional bodies whose function it is to protect and promote the interests and ambitions of South Pacific island states in their relations with the international community.

SPOCC has no mean task. There are already within the region a number of specialist bodies owing a degree of allegiance to their founding organisation or to vested interests. If external resources (not in short supply) within the region are to be used to optimum advantage, cooperation needs to be carefully and effectively coordinated. There is a real shortage in the field of human resources available to attend meetings, participate in the regional decision-making processes and, more importantly, see decisions through to fruition. In addition to the SPC and the Forum, the following regional organisations are linked to the SPOCC.

Forum Fisheries Agency (FFA)

The FFA is an offshoot of the Forum. On behalf of member governments it is responsible for, and has done an exceptionally good job in protecting, monitoring and negotiating, the exploitation of the South Pacific EEZs.

South Pacific Applied Geosciences Commission

This body, formerly known as the *Consultative Committee on Offshore Prospecting/South Pacific (CCOP/SOPAC)*, was established to act as the regional mechanism for the coordination and stimulation of marine research in the region. It coordinates scientific research, marine mineral surveys and baseline coastal studies.

University of the South Pacific (USP)

The USP serves all the South Pacific island countries with the exception of Papua New Guinea. In addition to courses on the Fiji campus, the University has an agricultural faculty in Western Samoa

and USP Centres linked by satellite in all participating countries. While the University is a practical example of regional cooperation, there are reservations in some states over its location and the greater benefits believed to be flowing to the host country.

Pacific Islands Development Program (PIDP)

The Program has, as a major objective, undertaken analytical studies of issues identified by heads of government appointed to serve on its Standing Committee. Major studies now in progress, drawing on expertise from the region, are concerned with: the role of the private sector in the Pacific islands; tourism, development, and multinational corporations; minerals, especially gold; forestry; and processing of agricultural products. In addition to research projects, PIDP conducts and supports training programs for Pacific island nationals.

In due course, the SPOCC may also be required to liaise with a major program which has developed under the aegis of the SPC, namely the South Pacific Regional Environment Program. This program, which seeks to protect the fragile ecology of the islands, also recognises the need to develop programs to exploit the resources of the region on a sustainable basis. Recognition of the Program and its establishment as a regional body in its own right may follow once there are sufficient signatories to the South Pacific Regional Environment Protection protocol.

International Cooperation: The Trade Factor

The island governments have argued that, given the option, they would rather trade with aid donors in lieu of direct project or budget support. They complain that trade balances with major partners are badly skewed and should be redressed. This is certainly the case insofar as trade between the islands and their immediate neighbours, Australia and New Zealand, is concerned. However, it is not useful to review trade on a bilateral basis and then attempt to draw conclusions as to the equity of the relationship. Trade is global, and while a bilateral review might point up areas where improvements may be appropriate, an examination of the overall picture of a nation's trading relationships is the only way to judge performance in an export-oriented growth strategy.

In order to redress at least part of the trade imbalance between Australia and New Zealand on the one hand and the islands on the other, the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) was signed in 1981. This is a non-reciprocal agreement under which the two developed countries (Australia and New Zealand) offer unrestricted or concessional access on a duty-free basis to products originating from the Forum Island Countries. The concessions do not apply to footwear, textiles, motor vehicles, steel, sugar and clothing (except under quota) entering Australia. Certain 'rules of origin' apply, the major and most controversial being that the process last performed in manufacture was in a FIC and that not less than 50 per cent of factory or works cost should represent the value of labour or Australian or New Zealand materials. Pressure to relax the 'rules of origin' clauses continues. It has been suggested that, despite SPARTECA, the balance of trade between the islands and Australia and New Zealand has worsened from the islands' position.

A specific Papua New Guinea and Australia Trade and Commercial Relations Agreement (PATCRA) exists between these two countries reflecting their historical relationship. PATCRA is marginally more generous than SPARTECA, in that clothing quotas and by-law agreements on coffee and rubber are exclusive to Papua New Guinea and are not shared, as with SPARTECA.

In addition to these agreements between the developed and developing FICs the islands are beneficiaries of two other international trade agreements. These are as follows:

Lomé Convention: under this Convention all South Pacific States, with the exception of Cook Islands, are entitled to preferential entry for many of their products into the European Community (EC). For example, the benefits derived from the Lomé Convention apply to Fijian sugar and canned fish and to Papua New Guinean minerals, coffee, cocoa, coconut and palm oil.

Generalised System of Preferences (GSP): provides for industrialised countries to grant preferential treatment to imports from developing countries by way of a reduction or elimination of customs duty. This is a unilateral system and is of benefit to the islands in selling to Canada, Japan, the USA and the USSR. Fiji has, under the GSP, been able to sell manufactured garments to the USA.

While there are opportunities for the islands to increase the volume of manufactured or semi-manufactured exports to developed countries, the extent to which this has occurred (apart from minerals from PNG and garments from Fiji) is disappointing. There remain the natural barriers of distance, size and limited resources. There are also constraints such as inadequate quarantine measures, which have affected shipment of fresh fruits and vegetables to New Zealand and Japan. Competition from the ASEAN states will have to be faced if tariff barriers are lowered under pressure from such lobby groups as the Cairns Group.

If the islands are to develop their economies through exports, and there is scope for this, they will need to use existing concessionary agreements and develop appropriate niche industries. Horticultural products, cut flowers, tropical fruits and vegetables, and high-fashion garments should be able to find a ready market, as the success of the Tongan woollen sweater factory and Fiji's ginger industry have demonstrated. But importers are not philantropists and the FICs will need to ensure that their exports achieve and maintain the highest standards.

What Scope is there for International Cooperation besides Trade?

International cooperation beyond that available through trading island products is almost limitless. In terms of finance to assist development, the range of options is great. Aid donors are ready, as has been demonstrated, to support almost any worthy project. Through the UNDP Round Table format, island delegations are introduced to new European donors on a regular basis. The services of virtually all the 30 United Nations agencies are cooperating with the island states in providing training, technical assistance and capital. The task of describing the range and depth of their involvement is beyond this chapter, but many of them have regional offices in the Pacific. To give some examples, major UN agencies with offices in the region include: UN Development Program (three offices); International Labour Organisation; Economic and Social Commission for Asia and the Pacific; Food and Agriculture Organisation; UN Education, Scientific and Cultural Organisation; UN Industrial Development Organisation; World Health Organization; and World Tourism Organisation.

Two of the world's major financial agencies, the World Bank and the Asian Development Bank, are active in the region with the latter having a South Pacific Regional Office in Port Vila, Vanuatu. Technical assistance and term loans for capital projects are available to governments and to the private sector through national development banks of member countries. In addition, the World Bank has established a Consultative Group to assist Papua New Guinea in the identification of funding for its public investment program.

Other agencies active in the region include:

- the South Pacific Trade Commission, which is funded as a market promotion body as part of Australia's contribution to SPARTECA;
- the South Pacific Trade Office, which is the New Zealand counterpart to the South Pacific Trade Commission;
- the Trade Facilitation Office, which is a Canadian institution set up to find buyers for developing country exports;
- the Japan External Trade Organisation, which seeks to help developing countries' exports enter the Japanese market;
- the Commonwealth Secretariat Export Market Development Division, which is designed to promote the exports of Commonwealth countries; and
- the ESCAP Trade Promotion Centre, which seeks to assist member countries in export promotion.

A further set of agencies exists to assist private sector development. These include the Australian Joint Venture Scheme, which provides capital for island partners of Australian business ventures; the Pacific Islands Industrial Development Scheme, which aims to support new island business enterprises involving New Zealand entrepreneurs; the Centre for the Development of Industry, which is funded under the Lomé Convention to assist in technology transfer, industrial training and provide information on business activities; the USAID Private Sector Revolving Fund, which seeks to stimulate business development through the guarantee of loans from

commercial banks; the Industrial Cooperation Program, which is a Canadian initiative to provide assistance in the development of business; the Commonwealth Development Corporation, which is a British organisation which provides equity or soft-term loans to business ventures or establishes ventures in its own right; the Overseas Private Investment Corporation, which is a USA government agency set up to encourage private US investment; the Overseas Economic Cooperating Fund, which is a Japanese body set up to assist both private and public sector projects in developing countries; and the International Finance Corporation, which is the private sector facility of the World Bank. The Commonwealth Development Corporation, for example, is involved in oil palm, sugar, coffee, cattle, cocoa and sawmilling enterprises in Fiji, Solomon Islands, Vanuatu and Papua New Guinea.

What More Can Be Done?

As the details above indicate, the region has more than enough agencies anxious to assist development in the private and public sector but gaps, real or imagined, are said to exist. The Pacific Economic Cooperation Council (PECC) Working Group, meeting in September 1989, noted that 'a major obstacle to economic development in the Pacific islands region is the absence of entrepreneurial skills, particularly among nationals'. The meeting argued that opportunities exist for new initiatives in the island states, but if these are to be exploited effectively there is a need to enhance practical business skills and attitudes, and to increase the understanding of finance and investment. Recommendations were developed to explore ways in which PECC could assist the development of entrepreneurial skills and establish joint business ventures. PECC also expressed general support for the more effective use of the variety of external resources now available to the region. In addition, PECC is to investigate the possibility of establishing a 'clearing house' for business ideas. While these are unlikely to be the final efforts of the international community to stir the latent entrepreneurs of the South Pacific into action, they might have greater success if those involved in the implementation program are drawn from the ASEAN countries, where considerable entrepreneurial spirit is evident.

Conclusion

The island states of the South Pacific, although diverse in heritage, size and natural resources, nonetheless have in common the economic and geographical characteristics of all small island states. Accordingly they present a real challenge to the analyst. Not because the South Pacific island states follow a wide range of political philosophies - indeed all are aligned to the West and, until recently, any suggestion of an Eastern bloc resident mission in one of them created dismay. Instead, the problems and puzzles are economic, focusing on the evolution and transformation of agriculture-based economies, which traditionally drew on the bounty of land and sea to provide a relatively comfortable degree of subsistence affluence for the bulk of their populations. The challenge is in trying to chart the path of these micro-states, to determine just where they might end up in the next fifty years.

The total flows of official development assistance (ODA) to the island states since they achieved independence have been substantial. Some of this aid has been put to good use; some has created edifices which revenue-tight budgets find almost impossible to maintain; some has been wasted. Progress, if measured by GDP, has been painfully slow and in some cases negative. Empirical research indicates that health and education standards are at best static.

Yet, despite the absence of any dramatic evidence of change which might be attributed to ODA or to political self-determination, the South Pacific remains one of the world's areas of seeming calm. Two military coups in Fiji saw no bloodshed. Elections are held regularly and power shifts with remarkable equanimity. Natural disasters and falls in world commodity prices have a very real impact on island populations, but when this occurs they go about their business with a degree of calm and an apparent lack of resentment.

But, notwithstanding this air of calm, the Pacific is changing. Pressures from without, as represented by the number of external agencies, countries and companies active in the region, will play their part, but essentially change will come from within. The Bougainville crisis in large part reflects dissatisfaction by landowners with their share of the income flowing from their traditionally owned land. In Fiji, recognition of the lack of participation by the indigenous

inhabitants in the monetised economy has led to a great expansion in lending for investment by the local development bank since the coups of 1987. Tonga now has a minority in parliament questioning the rights of nobles to have priority access to the factors of production. These examples, and others, underline the presence of pressures for change.

As depressing as it may be, perhaps PECC has got it right: 'A major obstacle to economic development in the Pacific island region is the absence of entrepreneurial skills, particularly among nationals'. Until now, governments have drawn off the resources of growth, both domestic and foreign. The bureaucracy has expanded, recruiting the best and brightest young people, who have contributed to quality administration but not to economic growth.

To change will not be easy; to redirect resources to productive enterprise will be challenged; to dismantle comfortable barriers of protection behind which sit inefficient industries will create dismay; to slim bureaucracies will lead to industrial dispute. But it can be done and must be done soon if the Pacific is to remain pacific. Resources provided by the international community are there, but the political will can and must come from within. Cooperation within the region and with the world at large will ease the way.

CHAPTER FOUR

THE FOREIGN AND DEFENCE POLICIES OF THE SOUTH PACIFIC STATES

Stephen Henningham

This chapter, against the background provided by chapters two and three, focuses on the foreign and defence policy stances of the sovereign island countries and of the quasi-sovereign, self-governing island countries which play a part in regional affairs. It also discusses the policies towards the South Pacific of the two 'regional powers', Australia and New Zealand.

General Policy Orientations

Because military threats to national security have largely been absent, and because of their economic problems, the island states have given the concept of security a broad definition which emphasises the economic and other non-military challenges to national sovereignty and well-being. This notion of security has been described as 'small "s" security', to differentiate it from the more traditional concept of military and strategic security. [1]

As discussed in Chapter Three, the island countries are gravely handicapped by their distances from the market-places for their produce, by poor transport and communications links, by their limited ranges of exports, and by the lack of scarcity value in what they have to offer. They are price-takers not price-makers. In response to long-term downward tendencies in commodity prices, combined with upturns in the prices of fuel and other essential imports, earlier hopes about the economic prospects of the island countries have turned to pessimism. Even the most successful of the island

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1 Tony Siaguru, 'Small "S" Security for Small Island States' in David Hegarty and Peter Polomka (eds), *The Security of Oceania in the 1990s*. Volume 1: *Views from the Region*, Canberra Paper on Strategy and Defence No.60, (Strategic and Defence Studies Centre, Australian National University, 1989), pp.19-24.

economies, that of Fiji, is highly dependent on preferential market access under Lomé and other trade agreements.[2] Most of the other island countries are also members of Lomé. As a group they seek an extension of special arrangements to provide assured markets and good returns.

Accordingly, in their orientation to the wider world, the island countries have been inclined to regard North/South issues of economic power and wealth distribution as more central to their concerns than East/West political or strategic issues. This tendency has been further encouraged by the relaxation of East/West tensions and the changes which swept the Eastern bloc during the final years of the 1980s. With few exceptions, island leaders are disinclined to accept the argument that the South Pacific's freedom from major conflicts owes a considerable amount to the stable political and strategic circumstances maintained in the Asia/Pacific region by a strong American presence.

The island states have put special emphasis on the actual or potential resources of their 200-mile Exclusive Economic Zones, to which they have exercised claims since the adoption of the United Nations Convention on the Law of the Sea in 1979. The Law of the Sea gave the governments of the island countries sovereignty over extensive areas of sea and the right to the marine and other resources therein (Map 3). Because of high costs and the vagaries of the migratory movements of tuna and similar species, early hopes about returns from fisheries have not been fulfilled. Meanwhile, undersea mining faces major technical difficulties, and is unlikely to begin before the early decades of the next century. It will require massive capital investment to become practicable so, rather than exploiting the resources directly, the most the island countries can hope for is a modest rental returns on these resources.[3]

The fisheries question remains of central importance. Fish and other seafoods have always been central to the livelihood of atoll and

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2 Michael Taylor (ed.), *Fiji: Future Imperfect?*, (Allen & Unwin, Sydney, 1987), pp.1-13.

3 R.Gerard Ward, 'Earth's Empty Quarter? The Pacific Islands in a Pacific Century', *The Geographical Journal*, (Vol.155, No.2), July 1989, p.244.

coastal peoples, and on the larger islands were traded inland. Because of strong traditional and emotional orientations towards the sea, and because maritime resources offer prospects of economic returns, fisheries questions are highly sensitive.

Non-acceptance by the United States of the Law of the Sea Convention, and the cavalier approach of the US tuna industry, led to strong concerns in the early 1980s about US tuna piracy. Only the negotiation of a multilateral fisheries agreement between the United States and the island countries repaired the strains in relations between the island countries and the United States. More recently the island countries, along with Australia and New Zealand, have condemned drift-net fishing by Japanese, Taiwanese and other trawlers, because of its devastating impact on marine life.

The dispute over US tuna fishing in island country EEZs both illustrated and reinforced the ambivalence felt by island countries towards the United States. Island governments look to the United States and its Western partners for aid and other assistance. Yet they are also resentful of the greater size and wealth, and the associated influence, of these powers.

During the Cold War era the island countries implicitly formed part of the Western association of nations. Strong Christian traditions encourage firm anti-Communism. But this Christian heritage can also discourage pragmatism and encourage an idealistic and at times moralistic approach to problems and issues.[4] The

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4 Concerning French nuclear testing in French Polynesia, M.Georges Lemoine (DOM TOM Secretary of State in the French Socialist Government of 1981-86) has argued that an unbridgeable gap exists between scientific arguments over whether or not testing is safe and the 'metaphysical' absolutist anti-nuclear position of the Protestant churches in French Polynesia and elsewhere, which regards all nuclear weapons and anything associated with them as evil and completely unacceptable. He has a point although, as discussed below, anti-nuclear sentiment in the region also has an important anti-colonial dimension. Georges Lemoine, 'Ouverture des Travaux', in Paul De Deckker and Pierre Lafayette (eds), *Etats et Pouvoirs*

historical experience of the island countries has been mostly with the Western powers, so memories of exploitation and injustice do much to shape present attitudes to, and relations with, these countries.

The perception is widespread that the Western powers are inclined to put their own broader economic and strategic interests ahead of those of the island peoples. With a new generation coming into power in the island countries, one that has fewer ties to the colonial past, and with island governments seeking to expand and consolidate their sovereignty, a new independence of mind and assertiveness has become evident.

Island leaderships believe that donor states have an obligation to provide aid so as to right historical wrongs and to correct present imbalances. Yet they also resent the dependence of their countries on aid. They want their countries to diversify their aid and trade partners. In part, the aim is to increase the level of assistance, in order to bolster ailing economies and, as far as practicable, help underwrite economic development. But island leaderships also believe that they can increase their freedom of manoeuvre - and hence the genuineness of their independence - by avoiding over-dependence on any one aid and trade partner.

Aware of their economic difficulties, and that they have some commonality of interests in relation to the wider world, island countries have sought to increase their economic well-being and prospects through regional organisation and cooperation. There are limits to what can be achieved within the region, because island economies lack complementarity. Nonetheless island countries have seen advantages in scientific and technical exchange and cooperation, in developing aid projects on a region-wide base to permit economies of scale and facilitate handling of particular problems, and in seeking to present a united front to the wider world.

Because of their small sizes and limited individual influence, the island states have seen advantages in uniting to present a common front on political and security (as well as economic) issues. Indigenous traditions favouring the consensus resolution of disputes have encouraged this view. Island leaders have referred to a 'Pacific

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dans les Territoires Français du Pacifique, (L'Harmattan, Paris, 1987), pp.14-15.

way', whereby issues are talked through in an unhurried fashion in informal meetings, with the objective being an optimal compromise acceptable to all involved. Meanwhile, the emphasis of the island countries on regional cooperation and on pursuing objectives through regional organisations and meetings has been reinforced, because their lack of resources precludes them from establishing a network of diplomatic posts and pursuing extensive bilateral diplomacy.

The two key organisations have been the South Pacific Commission and the South Pacific Forum. The South Pacific Commission was founded in 1947 by the colonial and administering powers, Australia, France, Great Britain, the Netherlands, New Zealand and the United States. However the Netherlands withdrew in 1961, after Irian Jaya's incorporation into Indonesia. The Commission now incorporates all the independent, quasi-independent, and dependent entities in the region, with the exception of Irian Jaya and the Torres Strait islands (Map 4).

At the insistence of France and the Netherlands, it was established from the outset that the Commission should not concern itself with political questions. When several of the island countries attained independence, from 1962 onwards, their leaders expressed frustration with this constraint. In 1971, the independent island countries formed the South Pacific Forum, inviting Australia and New Zealand to join. The Forum has operated through yearly meetings of the Heads of Government in the region, at which issues of concern have been discussed informally. Between meetings the Forum Secretariat provides continuity and acts on Forum decisions.

These regional organisations have mainly dealt with economic cooperation and development, but defence and strategic issues have surfaced on the Forum's agenda and have been discussed in the corridors at South Pacific Commission meetings. Nuclear and decolonisation issues have attracted continuing attention. Until 1961, when their tests were shifted to Nevada in the United States, the United States and Great Britain conducted atmospheric nuclear tests in the region. France tested in the atmosphere from 1966 to 1975, and has since then continued its tests underground on the isolated atolls of Mururoa and Fangataufa. As well as opposing nuclear testing, island leaderships also have opposed plans to dump nuclear and other toxic wastes in the region.

Opposition to testing and to the prospect of dumping was expressed in the Treaty of Rarotonga (also known as the South Pacific Nuclear Free Zone Treaty). This treaty was signed by most members of the Forum at the 1985 meeting of the Forum in Rarotonga, the capital of the Cook Islands, and has since then been ratified by the signatories.

France has reduced regional concerns to some extent by offering reassurances that the testing program entails no health or environmental risks, by inviting regional leaders to French Polynesia for briefings on the tests, and by providing information to the official delegation, known as the Atkinson Mission after the New Zealand scientist who led it, which Australia, New Zealand and Papua New Guinea sent to French Polynesia in 1983.

But concerns over health and environmental risks persist, particularly because the Atkinson Mission warned of the long-term possibility of radioactive materials leaching into the sea. Island leaderships are inclined to argue: 'If the tests are safe, why not conduct them in metropolitan France?' They regard the tests as a colonial question. They take this view because the tests take place in a former colony, which was acquired by a European power in the nineteenth century and which is inhabited by a people of mainly Polynesian descent who have not been permitted to express their opinion of testing in a referendum on the issue.

Concern over the possible environmental risks of nuclear testing forms part of a wider emphasis on environmental questions. These questions have come into sharp focus through the discussion of the so-called 'greenhouse' effect. Should the predictions of rising sea levels prove to be well founded, a challenge will emerge to the very survival of those countries which are mainly or entirely made up of low-lying islands. The highest point on Kiribati, for example, is only some five metres above sea level. Other countries threatened would include Tuvalu, the Marshall Islands, Nauru, Niue, Tokelau, and the Commonwealth of the Northern Marianas.

Meanwhile those countries in which most of the population is located on higher volcanic and continental islands could suffer severely from an increased incidence of storms and cyclones. In these countries most of the population lives in coastal regions, with most of the rest on either outlying or offshore islands, which are often only a

few metres above the present sea level. Major movements of population may become necessary.[5] Increased awareness of the potential problems which may be posed was shown by the attention given to the Greenhouse Effect at the 1989 meeting of the South Pacific Forum. Environmental issues were again the centre of attention at the 1990 Forum, with island leaders expressing concern over the environmental risks associated with the destruction of chemical weapons on Johnston Atoll by the United States.

For the island states, proud to assert their own political independence, decolonisation has also been an important issue. Coping with the challenges of independence has proved more difficult than earlier expected, leading to frustration and disillusionment.[6] Island leaders are conscious that continued dependence has resulted in a generous flow of funds, permitting a higher average standard of living in some dependencies than in their independent neighbours. But they are also conscious of the sharp inequalities in the distribution of wealth in the dependencies, particularly insofar as their indigenous communities are relatively disadvantaged. And they are concerned by the adverse social and cultural effects of continued dependence.

Island leaderships strongly support the rights and interests of indigenous communities. This ties in with their emphasis on independence and their opposition to colonialism and its legacies. The longer-term reaction in the island countries to the coups in Fiji in 1987 was generally favourable. The Forum island country governments deplored the first coup. Yet, once it had succeeded, most of them took the view that the new administration in Fiji should be left to grapple with its problems, without external pressures being applied. They generally saw the coup as a reassertion of indigenous rights and

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5 Harold Brookfield, 'Global Change and the Pacific: Problems for the Coming Half-Century,' *The Contemporary Pacific*, (Vol.1, Nos.1 and 2), Spring and Fall 1989, pp. 1-18; and Muriel Brookfield and R. Gerard Ward (eds), *New Directions in the South Pacific: A message for Australia*, (Academy of the Social Sciences in Australia and Research School of Pacific Studies, Australian National University, Canberra, 1988), p.68.

6 See, for example, Albert Wendt, 'Western Samoa 25 Years After: Celebrating What?', *Pacific Islands Monthly*, (Vol.58), June 1987, pp.14-15.

interests against what were regarded as the encroachments of the immigrant Indian community. In most countries, this reassertion was regarded as taking precedence over democratic principles and the rights of non-indigenous nationals. In Papua New Guinea, a senior official named his new-born son Sitiveni after coup leader Colonel Sitiveni Rabuka, and similar sympathies were expressed elsewhere.

In Fiji the stress on indigenous rights targeted the immigrant-descended (albeit several generations ago) Indian community. Supporters of the coups argued that the Indians had been imposed on the indigenous Fijians by British colonial rulers in pursuit of British commercial interests. But 'local' versus 'immigrant' tensions also exist between distinct groups of islanders. Conflict often focuses on rights to land. Examples include the conflict between the 'blackskins' (the locals) and the 'redskins' (Papua New Guineans from elsewhere in the country) on Bougainville; tensions within the Melanesian community and between Melanesians and Wallisians in New Caledonia; and tensions between the native Polynesians of New Zealand, the Maoris, and the Polynesian immigrants to that country from the Cook Islands, Western Samoa, Tonga, Tokelau and Niue.

While essentially local, conflicts such as these can impinge on international relations within the region. The New Caledonian conflict, the Fiji coups, and the secessionist revolt in Bougainville have all posed problems for regional diplomacy. In the Fiji case, Australia and New Zealand condemned the coups, but found that their outrage was not shared in most of the island countries. In Vanuatu, in May 1988, tension arising in part from conflict over land between the indigenous residents of the Port Vila area and outsiders from elsewhere in the country led to a political crisis. Prime Minister Father Lini requested and received Australian support in the form of riot control equipment, and further Australian intervention came under consideration.[7]

Local/outsider tensions could also create problems between particular island states. With economic development lagging behind a rapid increase in population, and with urban drift heightening

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7 See Stephen Henningham, 'Pluralism and Party Politics in a South Pacific State: Vanuatu's Ruling Vanua'aku Pati and Its Rivals', *Conflict*, (Vol.9), 1989, pp.171-195.

competition for land and putting distinct communities side by side, local/outsider tensions are likely to heighten, with implications for the relations between the states of the region.

Concern over decolonisation focused on the Anglo-French Condominium of the New Hebrides until that entity became independent in 1980, and subsequently on the French overseas territory of New Caledonia. In the New Hebrides, Britain was agreeable to, but France resisted, an early transition to unitary independence. The Forum sympathised with, and gave diplomatic support to the nationalist Vanua'aku Pati (Our Land Party), which commanded the adherence of the majority of the population of the archipelago, and welcomed Vanuatu as a Forum member.

In the mid-1980s, the constitutional evolution of the successor-entities to the United States Trust Territory of Micronesia also attracted attention and some criticism.[8] But concerns were allayed because the two new 'states in free association' of the Marshall Islands and the Federated States of Micronesia were self-governing and had a reasonable capacity to implement Forum decisions. Accordingly they were accepted as credible actors in regional affairs, and were invited to join the Forum.

In New Caledonia conflict has developed between the indigenous Kanaks (Melanesians), who comprise 45 per cent of the population, and who mostly favour a transition to independence, and the non-indigenous communities, the members of which mostly oppose independence.[9] The issue was first brought to the attention of the Forum in 1978 by a Front Indépendantist (Independence Front) delegation. The Forum gave a cautious welcome to the reform policies for the territory of the Socialist government which held power from 1981 to 1986, and did not support the proposal that New Caledonia be tabled before the United Nations Committee of Twenty-Four on Decolonisation. But when the subsequent, conservative French government of 1986 to 1988 reversed some of its predecessor's policies, the Forum decided to support the UN reinscription of New

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8 Firth, 'Sovereignty and Independence', p.82.

9 See Stephen Henningham, 'A Dialogue of the Deaf: Attitudes and Issues in New Caledonian Politics', *Pacific Affairs*, (Vol.61, No.4), Winter 1988-89, pp.633-652.

Caledonia. This resulted in the criticism of French policies by a majority of UN members. However the Forum responded positively to the Matignon Accords of mid-1988, whereby a new Socialist government established an interim peace settlement in the territory. New Caledonia has accordingly receded in importance on the Forum agenda, and attracted only modest attention during the 1989 and 1990 meetings. But the future of the territory would again become an important question at Forum meetings should conflict resurface.

At the annual Forums and in other meetings, the South Pacific countries have displayed an ability to achieve consensus and to pursue common goals. But consensus has not always been easy to achieve, and sharp differences have emerged over objectives and over the best means for pursuing them. To understand the reasons for these differences, it is necessary to consider the stance of both particular groupings of countries and the individual countries within these groupings. Accordingly, the four sub-groupings within the region (Melanesia; Fiji and Polynesia; Micronesia; and the regional powers - Australia and New Zealand) will now be reviewed.

Melanesia

The policies of the three independent Melanesian countries of Papua New Guinea, Solomon Islands and Vanuatu in part reflect the sense of common Melanesian identity which has emerged among these countries. This consciousness is based on ethno-cultural similarities and common historical experiences. It has been facilitated by the presence of the various forms of 'Neo-Melanesian', a pidgin English which combines an essentially English word-stock with an Austronesian syntax. This language is known as *Tok Pisin* in Papua New Guinea, *Pijin* in the Solomon Islands and *Bislama* in Vanuatu.

The sense of common Melanesian identity has been strengthened by a range of personal contacts, including church connections and the links formed by young people while studying abroad, notably at the University of Papua New Guinea in Port Moresby and at the University of the South Pacific in Suva. It was given expression by the formation of the Melanesian Spearhead Group in 1985. Initially the Spearhead was intended as a bloc to lobby at meetings of the South Pacific Forum, but it has assumed a

more general role as the embodiment of what are seen as shared Melanesian interests.

The Melanesian societies are more volatile, and less conservative, than the other Pacific island societies.[10] Some Melanesian areas were subject to external contact and colonial rule and exploitation relatively later, so initial contacts and conflicts often remain strong in local tradition. The interiors of some of the larger Melanesian islands were not 'opened up' to the modern world until the 1940s and 1950s. Their colonial experience was highly varied, but overall the Melanesian societies seem to have resisted more and suffered more than the Polynesian societies during the colonial era. This heritage and perception shapes present thinking.[11] In addition, Melanesian cultures seem to be more inward-looking and suspicious of outsiders and external influences than those of Polynesia and Micronesia. In Polynesia, those of mixed Polynesian and other ancestry are generally accepted as part of the Polynesian community, whereas this is not always the experience of those of mixed ancestry in Melanesia.

The Melanesian countries attained political independence relatively later than their Polynesian counterparts and Fiji. As a result, the intellectual formation of their leaderships was influenced by the more liberal and radical sentiments of the late 1960s and the early 1970s in the wider world. And as new players in the regional game, aware of a Polynesian inclination to patronise them, they may have felt the need to act more independently and assertively.

Contrasts in approach between the Melanesian countries and the other Forum island countries can be overemphasized, but it is clear that the Melanesian countries have taken a consistently more militant line than their Polynesian and Micronesian neighbours. They expressed reservations about the decolonisation process in American

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10 See R.J. May, 'Political Style in Modern Melanesia', in R.J. May and Hank Nelson (eds), *Melanesia: Beyond Diversity*, (Research School of Pacific Studies, Canberra, 1982), Vol.2, pp.639-649.

11 Keynote address by Mr George Kejoa, Finance Minister in the Solomon Islands Government, to the Australia/Pacific Conference at the University of New South Wales, 2 December 1988.

Micronesia, although ultimately they decided to go along with the regional consensus.[12] They were also critical of the Treaty of Rarotonga, which instituted the South Pacific Nuclear Free Zone, believing that the treaty was insufficiently radical in scope and aims.

In addition, they have taken a strong line on issues relating to the French presence, giving these issues prominence in their foreign policies.[13] As well as condemning nuclear testing and the handling of New Caledonia, they have also condemned the French presence in itself, arguing that its continuation is an anomaly.

The Melanesian stance on New Caledonia reflects the strong sympathies felt by many in the independent Melanesian countries for the campaign of their Kanak 'brothers'. In their views on New Caledonia, the Melanesian countries give little attention to the rights and interests of the non-indigenous communities, regarding them as interlopers.

Concerning French testing, the Melanesian countries are strongly critical even though they are located further from the test sites, and hence further from any immediate risks, than the Polynesian countries, some of which have been more equivocal. However the Melanesian countries oppose testing not merely because of possible health and environmental risks, but more importantly because they regard testing as expressive of, and integral to, what they see as continued French colonialism in the region.

The position of the Melanesian countries on the French presence is important to them as a matter of principle. It may also fulfil a psychological purpose, by providing a set of issues on which these three countries can agree heartily. In doing so they can overlook their dissimilarities and also their disagreements - for example the different stances of Papua New Guinea and Vanuatu on the OPM, a movement which received diplomatic support from Vanuatu until recently - while expressing that sense of distinctive Melanesian identity which is central to their self-images. But despite the

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12 Firth, 'Sovereignty and Independence,' p. 82.

13 For discussion of the more conservative stance taken by other South Pacific countries, see my 'Keeping the Tricolour Flying: The French Pacific into the 1990s' in *The Contemporary Pacific*, (Vol.1, Nos 1 and 2), Spring and Fall 1989, pp.97-132.

similarities between the foreign policies of the three countries, there are also some important differences and nuances.

Papua New Guinea's approach has been influenced by the conviction of its leaders that their country should play a leading part in regional affairs. They have assumed that this role naturally falls to Papua New Guinea because in size, population and potential wealth it dwarfs the other Pacific island countries.

Papua New Guinea's wish to exercise leadership also in part reflects its intention to demonstrate the genuine nature of its independence from Australia, its former colonial and administering power. Australia is by far Papua New Guinea's major aid donor. When Papua New Guinea became independent in 1975, aid from Australia provided 40 per cent of the new government's income. Nowadays, it provides around 25 per cent. Australia is the major supplier of Papua New Guinea's imports and investments, and there are over 10,000 Australians resident in Papua New Guinea.

In response, successive Papua New Guinean governments have sought to assert their independence against the risk of overwhelming Australian influence. At independence, Papua New Guinea adopted a policy of 'universalism', by which it was meant that the country should have relations on an equal footing with all countries with whom such links could be mutually beneficial. This policy evolved into one of 'active and selective engagement'. Papua New Guinean governments have sought to diversify their aid and trade contacts, to reduce dependence on Australia. In addition, in the mid-1980s the government of Prime Minister Paias Wingti put Papua New Guinea's relationship with Australia on a more formal footing, as a partnership between equals in terms of sovereignty, by means of treaty arrangements. These arrangements, known as the Joint Declaration of Principles, were ratified in 1987.[14]

In an expression of its wish to break with the past and to lead the island countries towards a more assertive stance, Papua New Guinea has been disapproving of the South Pacific Commission, regarding it as an outmoded colonial institution. The location of the

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14 See chapter on 'Foreign Policy,' in Mark Turner, *Papua New Guinea: The Challenge of Independence,* (Penguin Australia, Melbourne, 1990).

Commission's headquarters in Noumea, the capital of the French territory of New Caledonia, is a particular irritation, and has encouraged fears of undue French influence.

To replace the Commission, Papua New Guinea has called for a 'Single Regional Organisation', which would combine the functions of the Commission, the Forum and other regional organisations. It has been envisaged that this new body would consist exclusively of island countries, although it is expected that funding would come from the present and former administering powers and from other donor countries. Proposals for a Single Regional Organisation have not won support. However, since 1987 the Forum has responded in part to Papua New Guinea's concerns by expanding the role of the Forum Secretariat and by restructuring an earlier coordinating committee to improve liaison with and coordination of the various regional bodies.[15]

Attitudes to the Forum have varied, but Papua New Guinea's interest was strongest during the early post-independence years, at which time Prime Minister Michael Somare had a good working relationship with Fiji Prime Minister Ratu Mara.

The stance of Papua New Guinea has also been shaped by the awareness that it fringes on Southeast Asia. Papua New Guinea sees itself as the 'bridge' between Southeast Asia and the South Pacific. It has set out to develop constructive links with Southeast Asia and to avert conflicts with Indonesia over the OPM and the border. It has made special efforts to develop good relations with the ASEAN countries, in part to help insulate itself against Indonesian pressure. As well as attaining the status of observor at ASEAN meetings, it has welcomed investment from the ASEAN countries. Negotiations with Indonesia resulted in a Treaty of Mutual Respect, Friendship and Co-operation, ratified in 1987. This treaty is intended to provide the basis for the defusing of tensions and the peaceful negotiation of contentious questions.

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15 This new body is entitled the South Pacific Organisations Co-ordination Committee (SPOCC). Its first meeting was in Suva in February 1989. See Richard A. Herr, 'The Region in Review: International Issues and Events, 1988', *The Contemporary Pacific*, (Vol.1, Nos 1 and 2), Spring and Fall 1989, pp.142-4.

In their relations with Indonesia, successive Papua New Guinea governments, despite popular sympathy in Papua New Guinea for the cause of the OPM, have felt constrained from giving political expression to such sympathy. Papua New Guinea's approach has been conditioned of its awareness of its economic and military weakness relative to that of Indonesia. In view of this restraint, the support by Papua New Guinea for Kanak independence in New Caledonia has a domestic dimension. The two sets of circumstances differ greatly, but support for the Kanaks could be construed in part as a 'displacement effect', expressing frustration at an inability to take a different line on Irian Jaya.[16]

Like Papua New Guinea, Vanuatu has aspired to a leadership role in the South Pacific, but on grounds of ideology and morality rather than of scale. The policies of Vanuatu were shaped in part by France's obstruction of independence, and by the support by local French officials for the Santo secession attempt in 1980. As in other parts of the Third World, but in contrast to the peaceful transition to independence in the other South Pacific island states, a difficult process of decolonisation has left legacies of bitterness and suspicion. Vanuatu has directed antagonism at France in particular, but it has also generalised its stance by strong criticism of colonialism and neo-colonialism and by suspicion of the Western association of nations.

As a result Vanuatu, although its radicalism should not be exaggerated, has generally taken a more radical position on foreign policy issues than the other countries of the region. It is the only South Pacific country to have become a member of the Non-Aligned Movement. It is also the only South Pacific country to have diplomatic relations, albeit rather insubstantial ones, with Vietnam and Cuba, based on the moral support which these countries gave to the nationalist Vanua'aku Pati (VP) during its campaign for independence. In addition, in 1987 Vanuatu showed considerable interest in the prospect of developing relations with Libya, and also

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16 To raise a related question, although circumstances in Bougainville differ greatly from those in New Caledonia, it may be noted that the Papua New Guinea government does not regard the ethnic nationalism of the inhabitants of Bougainville as legitimate, whereas it supports Melanesian ethnic nationalism in New Caledonia.

conducted a fishing agreement with the Soviet Union. In relation to the superpowers Vanuatu has sought to be even-handed, although relations with the United States improved during the late 1980s. Vanuatu has taken an absolutist line on nuclear issues, expressing deep reservations about the Treaty of Rarotonga, which it has declined to sign.

Vanuatu's stance has also been affected by the domestic political implications of its relations with France. Before independence, France supported the Francophone and *Kastom* parties which coalesced into the UMP(Union of Moderate Parties). Since the Santo Rebellion and the attainment of independence, the UMP has suffered politically because of VP charges that it is subversive and pro-France. This domestic dimension interacts with broader questions of principle and national interest in the shaping of Vanuatu's foreign policy.

Despite the domestic political advantages that criticism of France can bring, and despite the scars of decolonisation, the importance of French aid to Vanuatu has constrained the Vanuatu government. In 1980, the VP favoured the idea of letting the New Caledonian Kanak independence movement set up a 'Provisional Government' in Vila. But it changed its mind after the French government warned that if this step was taken, French aid would cease.[17] In 1980-81, a schism emerged within the VP leadership. Some leaders urged a complete break with France, if necessary at the cost of no more aid, whereas others, because of the importance of the aid contribution, favoured reaching a compromise. Eventually, those favouring compromise won the argument, and French aid continued.[18]

Vanuatu's relations with France were sporadically difficult throughout the 1980s, especially because of Vanuatu's strong support for Kanak nationalism in New Caledonia. Relations deteriorated

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17 Father Lini, interviewed in *News Drum*, 18 January 1980.

18 Bill Standish, *Melanesian Neighbours: The Politics of Papua New Guinea, the Solomon Islands and the Republic of Vanuatu*, Parliamentary Library Legislative Research Service, Regional Survey No.1, (Department of the Parliamentary Library, Canberra, 1984).

sharply in late 1987, when the Vanuatu government stated that it had proof that France was funding the opposition UMP.[19] Vanuatu expelled the French Ambassador; France cut its aid spending; Vanuatu expelled further French diplomats; and France reduced its aid even further. The size of the French mission dwindled from over thirty expatriate staff to only two, with the Vanuatu government declining to accord diplomatic status to the head of the mission.

Normalisation of the relationship with France was delayed by a bitter political conflict between the governing VP, led by Father Walter Lini, and an alliance between the UMP and a small, dissident group of former VP legislators led by Barak Sope. In late 1988, having consolidated its position, the Lini Government set out to reduce tensions with France, although Vanuatu remained critical of French testing. At the United Nations General Assembly in October, Vanuatu commended France on reaching a settlement in New Caledonia. A few weeks later the Vanuatu Foreign Minister travelled to France for talks. Vanuatu needed French aid. In addition, the Vanuatu government may have wanted to avoid the charge of being anti-French in forthcoming by-elections, so that it could reduce local francophone suspicion.

In an interview with the New Caledonian daily *Les Nouvelles Calédoniennes* in early March 1990, Prime Minister Lini said that he wanted the re-installation of a French Ambassador in Port Vila and a return to normal relations. He emphasised the prospective importance of renewed French educational, technical and financial aid to Vanuatu, and noted that while Australia and New Zealand were supplying aid according to what was feasible for them, France had a larger economy than these countries. His remarks indicated Vanuatu's need for aid because of its economic problems. However they probably also resulted from a wish, by improving relations with France well before the late 1991 national elections, to counter Mr Sope's suggestions, that a renewal of French aid would depend upon a victory by Mr Sope and his supporters and allies in the elections.[20]

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19 *Age* (Melbourne), 9 October 1987, p.6.

20 Luc Dellanoy, 'Walter Lini s'Explique', *Les Nouvelles Calédoniennes*, 17 March 1990, p.5.

Despite this progress towards normalisation, relations between Vanuatu under a VP government and France are likely to remain difficult. On the other hand, if the UMP, perhaps allied with Sope's group, eventually gained power (which could happen in the 1991 elections), Vanuatu would have closer and more cordial relations with France, which would be a major breakthrough for France in the Melanesian part of the South Pacific.

Consistent with the improvement of relations with France, there were indications that, by the end of the 1980s, Vanuatu had opted for a more cautious and pragmatic foreign policy.[21] Certainly some of the adventurous initiatives of the government seemed to have involved more costs than benefits. Thus Vanuatu's interest in Libya had waned when hoped-for aid did not eventuate, and when the connection caused internal dissent and had an adverse impact on investor confidence and tourist arrivals. Meanwhile Mr Barak Sope, the politician most associated with the Libyan connection, had become a notable rival to Prime Minister Lini. And the Vanuatu government may have been chastened because, during the political disturbances of 1988, it had been obliged to explore the possibility of support, if the situation got out of hand, from Australia and New Zealand, the two countries which it had condemned in earlier years for alleged neo-colonialism.

Unlike Papua New Guinea and Vanuatu, Solomon Islands has not aspired to a leadership role, although in 1984 Prime Minister Mamaloni, in one of the initiatives that contributed to the eventual formation of the Melanesian Spearhead Group, did call for the formation of a separate Melanesian grouping. Solomon Islands comprises the third most populous of the island states (after Papua New Guinea and Fiji) and has, after Papua New Guinea, the second-largest land area. It also has a wide range of natural resources, and considerable potential for economic development. But infrastructure and services are poor, living standards are low, and governments have been preoccupied with development problems.

Against this background, the approach of Solomon Islands, although it has been broadly similar to that of its Melanesian neighbours, has generally been more cautious and measured. A mid-

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21 See Huffer, *Politique Extérieur Blong Vanuatu.*

1985 statement on foreign policy comments that, as a small country dependent on, and vulnerable to, changes in the world economy, and lacking military power, the Solomon Islands has adopted '...a broadly-based multi-dimensional approach to foreign policy which seeks to develop equal partnerships bilaterally, regionally and multilaterally'. Accordingly, the Solomon Islands has supported the United Nations and the Commonwealth, and has endeavoured to be '...both selective and cautious' in opening and developing diplomatic relations with other countries.

The Solomon Islands has taken a firm stance against nuclear testing and the dumping of nuclear and other toxic wastes. It has opposed 'all forms of colonialism'. However, in a formulation which is notable for its caution and its indication of an awareness of the political obstacles involved, the foreign policy document states that the Solomon Islands has set out to do 'whatever *is possible and sensible* to assist the colonised peoples in the South Pacific region to gain their independence' (my emphasis) .[22]

Polynesia and Fiji

The policies of the Polynesian states and Fiji have contrasted with those of the Melanesian states. The societies of Polynesia are generally smaller in scale and more cohesive than those of Melanesia. Compared with their Melanesian counterparts, they have been subject for a longer period to modern and Western influences, especially from the churches. They attained independence or self-government earlier, in an intellectual environment less influenced by criticisms of colonialism and charges of neo-colonialism. Chiefly systems and respect for elders help maintain social discipline and encourage conservative policies. Outsiders are viewed with less suspicion than in Melanesia.

The Polynesian states are wary of Melanesian pretensions to regional leadership, whether based on size (Papua New Guinea) or on moral authority (Vanuatu). They were irritated by the formation of the Melanesian Spearhead Group. They believe that the formation of

22 Solomon Islands Ministry of Foreign Affairs, *Foreign Policy of Solomon Islands*, (Government Printer, Honiara, 1985), pp. 1-6.

blocs within the Forum is not conducive to consensus, and resent the assertion of Melanesian independence via the Spearhead group. In response, Polynesian leaders have given some thought to the suggestion that the Polynesian countries and entities form a Polynesian community or confederation, as a counter-weight to the Spearhead.[23]

As smaller countries with narrow resource bases, the Polynesian countries are inclined to caution. They display a positive attitude to the South Pacific Commission, because it provides a forum in which smaller countries can be heard and because it unites sovereign, self-governing and dependent entities in a single organisation, permitting a strengthening of cultural ties and friendly links - for example, those between Western Samoa and American Samoa - which transcend differences in constitutional status and political organisation. Compared with the Melanesian countries, and despite strong concerns over nuclear testing and New Caledonia, the Polynesian countries, along with Fiji, responded more positively to France's aid and diplomatic drive from 1987, which was intended to contain and reduce opposition to the French presence.

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23 *New Zealand Herald*, 23 January 1988; Secretary of State for the South Pacific, *A Letter from the Minister for the South Pacific*, Papeete, November 1987, p. 5.

24 The more cautious Polynesian stance on the French presence was illustrated in the comments made by Tupuola Efi, Western Samoa's Deputy Prime Minister, during a stopover in Auckland while returning from Paris in late October 1987. After calling for a calm dialogue rather than the maintenance of rhetorical positions on New Caledonia, he also commented that 'The French, who have a Polynesian Minister [i.e., Gaston Flosse], which in itself is a considerable step ... are talking with states of the South Pacific outside their traditional sphere of influence, in a way they did not before. In the Cook Islands and in other countries, they are offering their aid constructively'. He added that differences over nuclear testing and other issues remained, but that France, if it intended to play a more positive role in the region, should be permitted to do so (Radio New Zealand Interview reported in Secretary of State for the South Pacific, *A Letter from the Minister for the South Pacific*, Papeete, November

The most conservative Polynesian state is Tonga, which was a British protectorate until 1970. Tonga is a constitutional monarchy in which the parliament is dominated by the chiefly class. The Tongan government has adopted a conservative foreign policy. It has refused to sign the Treaty of Rarotonga, which it regards as compromising Western strategic interests. It has given cautious support for Forum country stances on nuclear testing and New Caledonia, but mainly for the sake of preserving regional consensus and with strong reservations. But despite this conservatism, the at times idiosyncratic influence of the King and the Crown Prince can endow Tongan policies with an unpredictable character.

The former New Zealand colony of Western Samoa is also relatively conservative, but is more pragmatic in style and orientation than Tonga. Western Samoa is a representative democracy in which, until universal suffrage was implemented following a referendum in late 1990, only those of chiefly rank were entitled to vote and to hold office. It has close links with the neighbouring United States dependency of American Samoa. Although Western Samoa is glad to be independent, there is some envy among Western Samoans of the material benefits enjoyed by the American Samoans because of their American connection.

A similar attitude towards the French territory of French Polynesia is held in the self-governing, quasi-independent, associated state of the Cook Islands. Because of close kin and cultural links, the Cook Islands has been keen to develop connections with French Polynesia, and has also been positive in its attitude to the French presence. Indeed, as of early 1990, the Cook Islands government was negotiating a treaty of friendship with France. Cook Island governments have encouraged the Forum to take moderate positions on New Caledonia and, while opposed in principle to French nuclear testing, Cook Island leaders have also expressed reservations and qualifications.

The final Polynesian state is Tuvalu, which is one of the world's smallest and most aid-dependent states. It has a population of

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1987). For discussion of France's diplomatic impact in the region in the late 1980s, see Henningham, 'Keeping the Tricolour Flying', pp. 113-122.

8,475, a land area of 26 km^2, and a per capita GDP of US$325 (as of 1985). Per capita aid to Tuvalu in 1988 was US$ 1,585.[25] Yet even the smallest of the South Pacific countries display pride and a wish to increase their self-reliance. In an effort to escape perpetual mendicancy and to increase its freedom of manoeuvre, Tuvalu has successfully negotiated with its main donors the establishment of the Tuvalu Trust Fund. This is an investment fund of some US$ 25 million. It is intended that the fund produce sufficient interest to permit Tuvalu to cover its basic costs. If this experiment succeeds, other island states may seek to follow the example. However it would be difficult to stimulate donor-country interest if a larger scale initial investment were involved.

Fiji has come under strong Polynesian influences, particularly in the development of its chiefly system. Indigenous Fijian culture combines Melanesian and Polynesian elements, with Polynesian influence strong in the eastern parts of the island group. Fiji attained independence relatively early, and assumed a leadership role in the Forum and other regional organisations and initiatives. This role resulted from Fiji's standing as the second most populous island state after Papua New Guinea, from its relative economic strength, and from its central location in the region. Fiji generally has taken a conservative, strongly pro-Western stance. The brief exception came in early 1987, when a mildly radical government won a narrow election victory. This government, which was led by the late Dr Timothy Bavadra, was deposed by Lieutenant-Colonel (now Brigadier-General) Rabuka's first coup on 14 May 1987. Accordingly the elected government did not have the opportunity to implement its policies, which in practice probably would have been milder than some of the election rhetoric of its spokesmen had suggested.

Successive Fijian governments have expressed a strong commitment to the Forum and other regional activities, but have also tended to have wider horizons than some of the other island country leaderships. In part this is because of Prime Minister Ratu Sir Kamisese Mara's experience as a delegate at the negotiation of the Lomé Conventions. It also results in part from the deployment of Fijian troops in peacekeeping duties in the Middle East.

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25 *Pacific Economic Bulletin*, (Vol.4, No.2), December 1989, p.58.

Fiji's formerly close relations with Australia and New Zealand cooled as a result of the condemnation of the coups by these countries. Fiji responded by developing closer links with France and the United States and by seeking to diversify further, including links with the ASEAN countries.

Micronesia

Like the Polynesian countries and Fiji, the Micronesian entities also have taken a cautious, generally conservative position. Like the other smaller countries, they tend to put considerable value on their membership of the South Pacific Commission, both as a useful forum for the smaller countries and because it brings the full range of Pacific islanders together. In the South Pacific Forum they support consensus positions, and generally do not expect to play a leading role. They are strongly pro-Western in orientation.

In 1985, the government of Kiribati reached a fishing agreement with the Soviet Union, despite the concern of Australia, New Zealand and other powers that the agreement could open the path for further Soviet expansion in the region. But the Kiribati government was neither attracted by the Soviet 'model' nor interested in developing a more substantial relationship.[26] Instead, its motive was to increase its self-reliance by taking advantage of the generous fees offered. In addition, it was keen to assert its independence of judgement and exercise its sovereignty, so external criticism strengthened rather than reduced its commitment to the deal. Irritation with 'tuna piracy' by US trawlers was also a factor. Kiribati did all it could to ensure that the Soviet Union honoured the agreement to the letter, and declined to renew the agreement when the Soviets did not agree to continue to pay a high premium.

The sense of Micronesian identity, although present, seems to be less well-developed than the senses of Melanesian and Polynesian identity. This is explicable in part by the differences between the

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26 See Uentabo Neemia, 'Russophobia and Self Determination', in Ranginui Walker and William Sutherland (eds), *The Pacific: Peace, Security and the Nuclear Issue*, (Zed Books, London and New Jersey, and United Nations University, Tokyo, 1988).

Micronesian entities. There is a great contrast, for example, between the two independent Micronesian states, Kiribati and Nauru.

Kiribati, a collection of widely dispersed atolls, is a very poor country. As of 1986, its per capita GNP was US$ 333. Its key resource in colonial times, phosphate, had been exhausted before independence was granted. It has sought to be as self-reliant as possible, including by means of the fishing deal with the Soviet Union mentioned above, but for the foreseeable future will continue to depend on aid even for basic services and infrastructure.

In contrast Nauru, which still had rich phosphate reserves when it became independent, is at present one of the world's richest states, although its prospects are uncertain. Its per capita GDP (as of 1984) was US$ 20,000. This wealth, the fact that much of its population has given up work to live on the proceeds of phosphate, and the grave ecological damage to the island, all make Nauru a special case, even though its cultural and political links with the other states and entities of the region have been maintained.

The other Micronesian entities are either dependencies of the United States (the Commonwealth of the Northern Marianas, Guam, and Palau), or else are quasi-independent, self-governing states in free association with the United States (Federated States of Micronesia, and the Republic of the Marshall Islands). They are all tied closely to the metropolitan power through substantial aid and subsidies and through rights of immigration to the mainland. In addition, in the case of the Federated States of Micronesia and the Republic of the Marshall Islands, they are bound by treaty arrangements which leave defence and other aspects of sovereignty in the hands of the United States.

These two states in free association became members of the South Pacific Forum in 1987, on the basis that they were self-governing and had a reasonable capacity to implement Forum decisions within the region. However their history as former Japanese possessions, their geographical location, and their economic links with Asia incline them to give the South Pacific a low priority. They are yet to make a particular mark in the Forum, but their approach seems likely to be cautious and conservative, like that of their Commonwealth Micronesian counterparts, Nauru and Kiribati, to the south.

The 'Regional Powers': Australia and New Zealand

On the world stage, Australia is a small or at most a medium power. New Zealand's profile is yet more modest. But in the South Pacific their standing is much greater. Indeed, because of the great disparity in wealth, size, level of economic development and military power between Australia and New Zealand on the one hand and the island countries on the other, these two countries have the potential to exert the influence of 'big powers' within the region.

The two countries have close historical, cultural, economic, personal and other links. Australian diplomats have noted that it is difficult to operate a conventional 'foreign policy' towards New Zealand because of the extent and strength of the connection. Instead, political leaders and senior officials tend to deal with many issues directly over the phone or during personal visits rather than working through foreign affairs channels.

In the South Pacific, Australian and New Zealand interests and policies have shown considerable convergence. Their main economic relationships lie elsewhere, and their trade with the countries of the region is minimal. In 1987-88, for example, Australia's exports to the South Pacific countries (excluding New Zealand) amounted to only 2.7 per cent of its total exports, while Australia's imports from these countries comprised only 0.57 of its total imports.[27]

But in defence and security terms the two countries have seen advantage in encouraging stability and peaceful change in the region. They are major aid donors to the region, both bilaterally and multilaterally through the South Pacific Commission and other international organisations. Australia's aid to Papua New Guinea comprises one-quarter of that country's annual government income, while Australia traditionally has been the leading donor to the other countries of the region.

Australia and New Zealand also assist the island states through defence cooperation. They cooperate in the aerial and naval surveillance of island country EEZs. In addition, to assist the island

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27 Ross Babbage, 'Australian Interests in the South Pacific', in Albinski *et al.*, *The South Pacific*, p. 64.

countries in the patrolling of their maritime zones, Australia has given them nine patrol boats, with six more to be provided, and is helping cover the maintenance and running costs involved.[28]

Until the mid-1980s the key theme of Australian and New Zealand policy for the South Pacific was that of the strategic denial of the region to powers which could potentially be hostile to, or which were likely to act against, broad Western interests. This approach was expressed in efforts to keep the Soviet Union from developing diplomatic and other connections within the region and in concern over Libyan activities. However this stance has been modified because of the changes in Soviet policy during President Gorbachev's era and in response to an awareness that the island states have become less amenable to advice about how they should conduct their external affairs.

The experiences of the Fiji coups, the 1988 tensions in Vanuatu and, more recently, the conflict on Bougainville have brought home to both countries a clearer sense of the limits of their power and influence in the region. Nowadays, their emphasis is on demonstrating and implementing a constructive commitment to the region by acting as friendly and supportive partners to the island countries.[29]

In regional forums and initiatives, Australia and New Zealand have sought to play a constructive and moderating role. To some extent both countries have seen themselves as go-betweens and caretakers, representing South Pacific interests in the wider world while also bringing the interests and concerns of the wider Western association of nations to the attention of island country leaderships.

Australia played an important part in helping tailor the Treaty of Rarotonga so that it reflected a regional consensus while not

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28 Commonwealth of Australia, Department of Foreign Affairs and Trade, *Australia's Regional Security,* Ministerial Statement by Senator the Hon. Gareth Evans QC, (Australian Government Publishing Service, Canberra, 1989), p.19; Stephen Merchant, 'Australia's Defence Cooperation Program and Regional Security,' in Hegarty and Polomka (eds), *The Security of Oceania in the 1990s*, Vol.1, pp.71-77.

29 See Commonwealth of Australia, *Australia's Regional Security,* pp.45-46.

conflicting with what the Australian government regarded as essential United States and broader Western interests of high sea passage and entry into friendly ports. While critical of continued French nuclear tests, Australia and New Zealand also took the leading part in the Atkinson Mission. This mission made an official visit to the testing sites in October 1983 and produced a report which, while it expressed concern over the possible longer term leaching of radioactive materials, did not give support to the more dramatic claims about the health and environmental risks of French testing.[30]

On decolonisation issues, Australia and New Zealand have favoured a moderate approach. They have welcomed the Micronesian self-governing associated states, which formerly were part of the United States Trust Territory of the Pacific Islands, as participants in the Forum and in regional affairs.

Concerning New Caledonia, they have strongly endorsed the approach of the Rocard Government, whereas the Melanesian countries have expressed strong reservations. Earlier, they had joined with the Polynesian countries in supporting a measured approach on the reinscription of New Caledonia by the United Nations Committee of 24 on Decolonisation, notwithstanding Melanesian pressures to move quickly. Reinscription was first proposed to the Forum in 1978, but in the early 1980s the Forum postponed action because of indications of progress in New Caledonia. However in 1986, when the newly elected conservative government of M. Jacques Chirac reversed some of the reforms of the preceding Socialist government, the Forum felt obliged to support reinscription. In the reinscription process Australia and New Zealand, which have diplomatic resources far greater than those of the island states, provided substantial administrative support to permit the implementation of the Forum's policy.

But despite their converging interests and traditions of co-operation in the South Pacific, the policy stances of Australia and New Zealand are by no means identical. The most important difference concerns policy on port visits by potentially nuclear-armed or nuclear-

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30 Ministry of Foreign Affairs, *Report of a New Zealand, Australian, Papua New Guinea Scientific Mission to Mururoa Atoll*, (NZ Government Printer, Wellington, 1984).

powered ships. In 1984, the newly elected New Zealand Labour government led by Mr David Lange decided to implement a policy banning visits by such ships to New Zealand ports. The New Zealand intention to decide in advance whether a prospective visiting ship was nuclear-armed or powered was, in practical terms, in conflict with the United States policy of neither confirming nor denying the presence of a nuclear capability.

US naval visits to New Zealand were infrequent, and of meagre importance in themselves to US naval operations. But the Reagan (and subsequently the Bush) administration was concerned about the possible demonstration effect, on countries and regions of more direct importance to US and Western strategic arrangements, of any acquiescence in New Zealand's new policy. After conciliation efforts failed, those provisions of the Australia-New Zealand-United States (ANZUS) treaty relating to New Zealand ceased to be operative, and New Zealand ceased to be regarded as an ally of the United States.

The policy on nuclear ship visits was popular with the New Zealand electorate. It drew attention away from the painful restructuring of the New Zealand economy undertaken by the Lange Government. In a response to the electoral popularity of the policy, and with an eye on the national elections due in late 1990, the New Zealand opposition National Party shifted position in February 1990, and now also supports a ban on nuclear ship visits. Accordingly the return of New Zealand to active partnership in ANZUS is unlikely.

The differences between Australia and New Zealand over nuclear ship visits reflect the underlying contrasts between the two countries.[31] While probably apocryphal, the remark attributed to a United States official, that 'New Zealand is a dagger pointed at the heart of the Antarctic', nonetheless underlines the remoteness of New Zealand. This isolation from the potential centres of major conflict, and New Zealand's relatively harmonious history, despite a recent

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31 On New Zealand's stance and policies, see Helen Clark, 'New Zealand's Non-Nuclear Initiative', in Walker and Sutherland, *The Pacific*, pp. 175-84 and Denis McLean, 'Perspectives from New Zealand: Interests, Objectives, Means, and Prospects', in Albinski *et al.*, *The South Pacific*, Chapter Five.

heightening of racial tensions between New Zealanders of immigrant and indigenous stock, has encouraged an idealistic trend, with isolationist overtones, in foreign policy.

New Zealand's stance also has been shaped by its location in the South Pacific, by the fact that 12 per cent of its population is of either indigenous Maori or immigrant Polynesian stock, and by the attenuation of its links with Britain, especially since Britain joined the European Community. New Zealand increasingly has come to regard itself as a South Pacific country. In a speech given in October 1987, for example, Prime Minister Lange said: 'We not only accept but celebrate what the map tells us - that we are a South Pacific nation'.[32] But this perception is not endorsed by island country leaderships, which regard New Zealand, along with Australia, as external to the inner circle of Pacific island countries.

Few in Australia think of Australia as being a South Pacific country. The cliché is that Australia is geographically part of Asia. Political and opinion leaders have urged Australia to expand its economic and cultural links with Southeast Asia, and to tie itself in more closely with the economic dynamism of Northeast Asia. Australia's economic orientation to Japan, the European Community and the United States is complemented by its military and strategic links with the United States, especially through ANZUS, and by cultural and family links to Europe.

Australia's closest neighbour, Papua New Guinea, is only a few hundred metres from the northernmost of the Torres Strait islands. Darwin, Australia's northernmost city, is only a few hundred kilometres from the closest parts of Indonesia. Australian governments have been conscious of the vast land area and extensive maritime zone of their island continent, and thus of the enormous difficulties in defending 'a coast too long'.[33]

Only a major power would have the capability to invade Australia, and such an invasion seems highly unlikely. But regional powers conceivably could put lower level pressure on Australia by

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32 McLean, 'Perspectives from New Zealand', pp.85-86.

33 The standard study is Ross Babbage, *A Coast Too Long: Defending Australia beyond the 1990s*, (Allen & Unwin, Sydney, 1990).

means of raids on isolated settlements and facilities and by the interdiction of lines of communication. None of Australia's neighbours is at present perceived as a threat. Yet memories persist of Indonesian bellicosity during the Sukarno era, and decision-makers are conscious of the possibility of rapid change, in ways harmful to Australian interests, in the Asia/Pacific region.

Against this background, Australian governments have emphasised the central importance of Australia's close alliance, expressed through the ANZUS treaty and in other ways, with the United States. The alliance, which includes the siting of key joint Australian/US facilities on Australian soil, acts as a guarantor of Australian security. It also gives Australia privileged access to senior levels of American leadership, and to American intelligence and assessments, and increases Australia's international profile. In contrast, even before the rift in ANZUS because of New Zealand's stance on nuclear ship visits, New Zealand's relationship with the United States was less close and less substantial.

The rift within ANZUS created tensions between Australia and New Zealand, and concerns were expressed in Australia that New Zealand could drift towards isolationism. However the Australian and New Zealand governments have worked to maintain the relationship. In late 1989 the New Zealand government decided, despite lively domestic criticism, to participate with Australia in a joint frigate-building program to increase its blue water naval capability. This decision was taken as confirmation in Australia that, notwithstanding its differences with the United States, New Zealand intended to cooperate closely with Australia in pursuing mutual interests, especially in the South Pacific. Difficulties between Australia and New Zealand are likely to recur, and their traditional friendly rivalry will now and then be taken to excess. But they will continue to work closely together in the South Pacific.

CHAPTER FIVE

THE EXTERNAL POWERS IN THE SOUTH PACIFIC*

David Hegarty

It is ironical that in the last gasps of the Cold War - on the eve of a dramatic revolution in East-West relations - the South Pacific, which for most of the time since the Second World War had avoided the vagaries of international politics, was rediscovered by some of the world's leading players. The Soviet Union, the United States, Japan, China and India were attracted to the region as were some of the not-so-grand powers, including Libya and Israel. At the same time the South Pacific, once a bastion of Third World political stability and constitutionalism, began to show signs of instability and turbulence.

I do not want to exaggerate the extent or significance of this resurgence of interest by external powers in the South Pacific. On a scale of one to ten, perhaps the level of attention has been notched up to three. The South Pacific remains a peaceful part of the world. Decolonisation there was a gentler affair than elsewhere. There were few recriminations, and relationships between former colonies and metropoles were good - although in Vanuatu there were difficulties. In the first years after independence, the island countries concentrated on adapting the colonial structures they had adopted, on establishing political legitimacy, and on economic development.

The South Pacific Forum was established in 1971 to engender regional solidarity for the new states and to provide a coherent voice in international affairs. Interestingly, and reflecting both the state of economic dependence of the islands and the degree of harmony in regional relations, both Australia and New Zealand were invited to be founding members of the Forum.

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* This chapter draws on a paper, 'External Powers in the South Pacific', presented to the New Zealand Institute of International Affairs, Wellington in October 1988, and on a chapter entitled 'The South Pacific and Papua New Guinea' in Desmond Ball and Cathy Downes (eds), *Security and Defence: Pacific and Global Perspectives*, (Allen & Unwin, Sydney, 1990).

As the 1970s came to a close, however, the 'pattern of islands' (as Arthur Grimble described the Gilbert Islands) began to change.[1]

In the mid-1980s the barometer of external power interest in the South Pacific rose. Diplomatic attention to the region by the two superpowers increased, following the Soviet Union's offer of fishing and commercial deals to most Pacific island countries in 1984 and the rupture in ANZUS in 1985. Visits by high-level delegations from Asian countries, including Japan, China, Singapore and Indonesia; from Europe; and from as far afield as Libya and Israel attested to the rise of the South Pacific's international profile. Increased activity by France, the region's remaining colonial power, and a rejuvenated focus (though for quite different reasons) by Australia and New Zealand on their relations with island states, were additional indicators that the region was being drawn back into the international arena.

Events within the region also attracted international attention. The most dramatic, the *coup d'état* in Fiji in May 1987, reverberated throughout the Pacific and beyond. In a different way, the declaration of the Treaty of Rarotonga in 1986 (the South Pacific Nuclear Free Zone Treaty) required the attention and response of larger international powers. Regionalism, carefully nurtured since the formation of the South Pacific Forum in 1973, came under some pressure. Harmony amongst the Forum states was occasionally disturbed not only by irritations in relations between the island states and the two major regional powers, Australia and New Zealand, but by the trend towards the formalisation of Melanesian and Polynesian caucuses or blocs. The continuing maturation and diversification of the islands' foreign policies also appears to have had an effect on the character of regionalism. It became possible to draw a foreign policy continuum between those island states pursuing or tending towards non-alignment and those with a strongly pro-Western orientation.

Two security 'hot spots' in the region - the conflict in New Caledonia, and the tension in the border area between Papua New Guinea and Indonesia - turned sour at various points in the 1980s. Both issues continue to carry potential for strife and for further external power involvement in the South Pacific. The United Nations' attention was drawn to the region by the successful move by the

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1 Arthur Grimble, *A Pattern of Islands*, (John Murray, London, 1952).

Forum states in 1986 to reinscribe New Caledonia on the UN's list of territories to be decolonised, this despite the best efforts of France to resist the move. The United Nations, however, was not attracted by the pleas of the guerrilla independence movement, Organisasi Papua Merdeka (OPM), for a reopening of the UN-sanctioned Act of Free Choice which had transferred the former Dutch territory of West Papua to Indonesia. In addition, a new area of conflict came to prominence in the late 1980s, when the secessionist revolt broke out on Bougainville in Papua New Guinea. However, so far at least, external power interest in this conflict has been absent.

What these developments add up to is a change in the political and strategic complexion of the South Pacific. The beginnings of superpower competition for influence, the import of extra-regional disputants and of countries with no intrinsic interest in the region but attracted by such events as a coup, and the increasing possibility of domestic instability in the island states are all important ingredients in a changing security outlook. But by the end of the decade the balance of factors that go to make up the region's security outlook were shifting from those relating to external power interests to those concerned with internal security and stability.

How best then to analyse the changing South Pacific? Traditional concepts of international relations used to analyse regions are often inadequate when applied to the contemporary South Pacific. The particular mix of small and larger states, of their vulnerabilities and fragilities, of the patterns in their relationships, of the degree of change currently under way and the range of endogenous and exogenous factors affecting that change, does not easily lend itself to characterisation by the usual terminology.

The South Pacific is clearly not a zone of conflict, despite the rather startling prediction by Libya's Colonel Gaddafi early in 1987, apparently intended as propaganda against the United States and France, to the effect that when the Third World War comes it is likely to break out in the South Pacific! Nor is the South Pacific a region of turmoil or revolt, to mention terms which were liberally applied to Southeast Asia in the 1950s and 1960s. Balance-of-power analyses when applied to the South Pacific are not particularly instructive, because the hegemonic influence in, and the general orientation of, the region is decidedly Western. The notion of a power vacuum also

seems unhelpful, although a number of French commentators have argued that a French withdrawal from the region would leave such a vacuum which the Soviet Union might attempt to fill. Comparative studies of regional politics - 'subordinate state systems' - offer some useful insights, but are often overwhelmed by the elaborateness of their classification systems. It is therefore difficult to disagree with Buzan's assessment (and challenge) that in the field of international relations, a focus on global rivalry between the superpowers has left the study of local security subsystems sorely neglected.[2] Buzan offers his own framework in which patterns of enmity and alliances define the security complex and the region's security identity.

In this chapter, however, I do not argue through the notion of an analytical framework. My task instead is to review the mosaic of external power interests in the South Pacific, with an emphasis on developments in the latter half of the 1980s.

The chapter is based on research and analysis conducted in the period 1986-89 when the author was a senior research fellow in the Strategic and Defence Studies Centre. Even in the short period since, a considerable amount has changed concerning external powers and the South Pacific. The focus of regional security concerns has shifted to a considerable extent from the role of external powers (and their competitive, destabilising activities) to questions of internal domestic security, intra-regional relations, and the impact of broader economic and environmental changes. Nonetheless, the activities of the external powers clearly remain important and, although some changes have occurred, continuities can also be seen. The chapter focuses on the 1986-1989 period, but concludes with a review of more recent developments.

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2 Barry Buzan, 'A Framework for Regional Security Analysis', in Barry Buzan, Gowler Rizvi *et al.*, *South Asian Insecurity and the Great Powers*, (St Martin's Press, New York, 1986), pp.3-36. For a 'subordinate system' approach, see Louis J. Cantori and Steven L. Spiegel, *The International Politics of Regions: A Comparative Approach*, (Prentice-Hall, New Jersey, 1970). For a descriptive/survey approach, see Colin Clarke and Tony Payne (eds), *Politics, Security and Development in Small States*, (Allen & Unwin, London, 1987).

The Soviet Union

I will begin with the Soviet Union, because in many ways the Soviet Union's interest has been a catalyst for that of other external powers. In 1984 the Soviet Union renewed its interest in the South Pacific by offering fishing and commercial agreements to most of the island states. It also substantially lifted its diplomatic effort in the region. Mr Gorbachev's eastward-looking speech in Vladivostok in July 1986 elaborated Soviet interests in the Asia/Pacific region generally, but indicated that for the first time in a decade the Soviet Union would focus specifically on the island states.[3] The term Mr Gorbachev used was that Moscow would 'lend dynamism' to its relations with the small, newly independent island states of the Pacific, most of which he mentioned by name.

Since then, official and semi-official statements from the Soviet Union have reiterated five themes. Firstly, there was criticism of American efforts to terminate the trusteeship of the Trust Territory of the Pacific Islands, or Micronesia. The Soviet Union alleged that the US was effectively denying the Micronesians the option of independence. In 1990, however, the Soviet Union considerably softened its position on this issue. Secondly, Soviet statements have indicated support for New Caledonia's independence, although the Soviet Union has not confronted France directly on the issue. Thirdly, strong statements have been issued in support of the South Pacific Nuclear Free Zone Treaty and, after initial strong reservations, the Soviet Union has signed the Protocols to the Treaty. Statements in support of the New Zealand government's anti-nuclear policy coupled with condemnation of the ANZUS alliance have been a fourth standard theme. Fifthly, and to a lesser extent, there have been official Soviet statements supporting the notion of equal security in the South

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3 Richard A. Herr, 'The Soviet Union in the South Pacific', in Ramesh Thakur and Carlyle A. Thayer (eds), *The Soviet Union as an Asian-Pacific Power*, (Westview Press, Boulder and London and Macmillan Australia, Melbourne, 1987), pp.135-152. David Hegarty, 'The Soviet Union in the South Pacific in the 1990s', in Ross Babbage (ed.), *The Soviets in the Pacific in the 1990s*, (Pergamon-Brasseys, Sydney 1989).

Pacific. That is, if the islands region is to have one superpower presence, Moscow suggests that it is better to have both.

Recent Soviet activity in the Pacific has amounted to the negotiation of fishing agreements with Kiribati and Vanuatu (in addition to a long-term fishing agreement with New Zealand); visits by trade delegations; and the establishment of a Soviet mission in Port Moresby. A fishing deal with Papua New Guinea is also being negotiated.

The 1985 fishing agreement which the Soviet Union had with Kiribati, and the fact that it was terminated in 1986, are well known. The Soviet Union claimed that it was not catching sufficient fish to justify the expense. The Kiribati government said 'well, this is our asking price - you either meet it or leave'. The agreement negotiated with Vanuatu in January 1987 provided the Soviets with a year's access to Vanuatu's fishing grounds for eight Soviet vessels for a fee payment of about US$1.5 million. Unlike the Kiribati agreement, it provided the Soviet Union with port and shore access for provisioning, rest and relaxation, transshipment of the catch and repairs. The Soviets appear to have caught few fish and to have paid only two calls to Vanuatu's ports. As in Kiribati, the Soviet fishing agreement with Vanuatu caused a degree of dissent and some concern within domestic politics. As well, both agreements gave rise to considerable alarm and a degree of scepticism about Soviet intentions in the region at large.

The level of Soviet diplomatic activity was also stepped up during the second half of the 1980s. Soviet diplomacy has been more sophisticated, less 'bullish', and less aggressive than that which characterised its approaches to other Third World countries in previous years. The positive image of President Gorbachev and his reform program has reduced regional suspicion of the Soviet Union. More frequent visits have been paid by Soviet diplomats to the region, and there have also been reports that 'Soviet front' activity has increased in the South Pacific.

What can be said about Soviet interests beyond what we see on the ground? There is a case to be made that the Soviet Union is simply interested in fishing. But I think the more obvious point to be made is that the Soviet Union has sought to develop a degree of political influence in the region. As a superpower, albeit one with grave internal problems, the Soviet Union would claim to have the

right of access of all parts of the globe, and would argue that there is no reason why the South Pacific should be any different.

The Soviet Foreign Minister, Mr Shevardnadze, in a visit to Canberra early in 1987, said explicitly that he expected political influence to follow the establishment of commercial ties, but he ruled out any moves for a military base in the region. It would seem that the Soviet's basic interests lie in establishing some form of political constituency in a region where its influence had previously been minimal; in reducing island states' apprehension of the Soviet Union; and in attempting to counter Western influence.

Specific Soviet strategic interests, however, remain a puzzle - apart from an obvious interest in the US/Australian Joint Facilities and such NZ defence communication networks as that at Tangimoana. The following suggestions are offered for the sake of discussion, even though they may be of declining relevance in an era of East-West *détente* and in view of Moscow's domestic preoccupations.

One line of speculation is that the Soviet Union is interested in a presence in and/or access to the waters of the region to improve its military geography and its knowledge of the Pacific Ocean and seabed.[4] Over the past 15 years there has been a Soviet oceanographic and hydrographic research effort; of modest scale, but still nevertheless larger than that of any other power. Traditionally the Soviet Union has aimed at improving its military intelligence globally. Of course, in recent times the possibility of war between the Soviet Union and the United States has receded greatly. Nonetheless, in the event of a conflict the Soviet Union would want to know where American ships and submarines are, although US naval forces in the South Pacific are minimal. It also has been speculated that the Soviet Union is interested in gaining an island foothold with an interdiction capability along the sea lines of communication between the United States, Australia and New Zealand. One wonders whether or not that would be a prime objective of the Soviet Union in the region given

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4 'USSR Discovers Strategic Value of Pacific Islands', United States Information Service (USIS) Wireless File, EP3140910, 10 September 1986, pp.25-29. (Text of Statement by Rear-Admiral E.B. Baker (Jr) to US Congress, House Foreign Affairs Subcommittee on Asian and Pacific Affairs.)

that, in a conflict situation, the North Pacific is going to be much more important to both superpowers than the South Pacific. It has been suggested also that a land presence would assist the Soviet Union in monitoring the Kwajalein missile testing site and SDI research, but the Soviet Union manages to accomplish that with ships stationed regularly off-shore from Kwajalein.

In similar vein, there has been a suggestion that the Soviet Union might install an array of underwater acoustic monitoring devices off the coast of Vanuatu, under the guise of monitoring shipping and fishing but with the intention of monitoring military and other traffic in the South Pacific.[5] Ten years ago it was suggested that the Soviets had an interest in placing listening devices off the coast of New Caledonia, perhaps in an attempt to track American submarines transiting the great southern route through the Southwest Pacific and southern Australian waters to and from the Indian Ocean. Australian defence and strategic specialists find these suggestions implausible. A further line of conjecture holds that the Soviet Union may be interested in some sort of satellite tracking/space communications point or facility in the South Pacific. Professor Desmond Ball, who has conducted research on Soviet signals intelligence methods, considers this a long-shot possibility, but suggests that the Soviets have effective telecommunications and other intercept facilities in their embassies in Wellington and Canberra. In sum, it appears that an extension of political influence is the Soviet Union's major goal in the South Pacific rather than hard strategic targets.

The United States

American policy has been elaborated clearly over recent years, in part in response to Soviet diplomatic initiatives.[6] In 1986

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5 Marc Liebman, 'More Soviet Activity in the South Pacific', *Armed Forces Journal International*, July 1987, p.28.

6 John C. Dorrance, *Oceania and the United States*, National Security Monograph Series 80-6, (National Defense University Research Directorate, Washington, DC, 1980). Robert G. Sutter, 'Australia, New Zealand and the Pacific Islands: Issues for US Policy', US

Gaston Sigur of the US State Department characterised American foreign policy objectives in the South Pacific as follows. He said that American policy is aimed:

- firstly, at the denial of the region to the Soviet Union;
- secondly, at ensuring American operational ability and access to the region in times of crisis;
- thirdly, at securing the support of dependable allies in the region; and
- fourthly, at encouraging friendly democratic governments and a generally harmonious environment for Western interests in the South Pacific.[7]

Ironically, in view of the fourth aim listed above, an important speech by Secretary of State Shultz on the need to strengthen Asian/Pacific democracies was delivered on 14 May 1987, the day the coup occurred in Fiji.

The United States has significant strategic interests in the region, particularly in support of its alliance relationships with Australia and its continued need for maritime mobility. It also has a territory in the centre of the South Pacific (American Samoa) and important interests and a continuing pressure in the American Micronesian entities, just north of the equator.

But questions have been raised as to whether the US would 'go to the wall' for its interests in the South Pacific. The answer would obviously depend on how strategically important the South Pacific assets were to the US at the time. In the event of conflict in the North Pacific, some Pacific islands, particularly those close to the equator, represent in a sense the rear flank of America's maritime strategy as applied in the North Pacific.

Congressional Research Service, mimeo, updated July 13, 1987, pp.14.

7 Gaston Sigur, *The Strategic Importance of the Emerging Pacific*, Current Policy No.871, (US Department of State, Bureau of Public Affairs, Washington DC, October 1986).

Despite official statements of objectives, American policy in the South Pacific has been characterised as one of indifference, on the grounds that the United States has left the defence of Western interests over the years to Australia and New Zealand. The amount of American aid to the Pacific is small and there are few lobbies on behalf of the Pacific in the US. The US government's attitude to the 200-mile exclusive economic zones of the island states, particularly with regard to migratory species of fish, and the activities of the American Tunaboat Association, generated antipathy to the US.

The US has also irritated the region by refusing to sign the protocols of the Nuclear-Free Zone Treaty, and by its apparent tacit support for French colonialism in the region and for continued French nuclear testing. In Melanesia, the US has come under attack for what is perceived as a 'bullying' attitude toward New Zealand over the ANZUS dispute.

Despite this antipathy in some quarters, a pro-Western sentiment remains strong. Recent American policy responses to change have been measured. The multilateral US-South Pacific Fisheries treaty signed in early 1987 with the Forum Fisheries Agency has gone a long way towards alleviating tensions in that sphere. Diplomatically the US has raised slightly its level of activity and more staff have been assigned to embassies in the region. Fiji and Papua New Guinea have begun to receive more attention, although since the coup, the US has cut its aid to Fiji. There has also been a surge of writing in official and semi-official journals in the United States about the South Pacific.

Meanwhile the American response to Soviet activity in the region has similarly been measured. On a visit to the region in 1987 the US Ambassador to the UN, Vernon Walters, said in effect that the security 'problem' in the short term seemed to stem more from Libyan involvement than from Soviet activity. It seems that the Americans are in the process of defining the 'acceptable limits of Soviet behaviour' in the South Pacific. Although some competition between the superpowers has occurred, neither is interested in promoting large-scale rivalry, especially in view of promising developments in arms control and in the reform process in the Soviet Union and Eastern Europe.

Other Powers

The next power in this mosaic of external power interests is France. In 1986 a group of parliamentarians and officials from France visited Australia and discussed nuclear issues with an Australian Parliamentary Committee. On their return to Paris they issued a statement, part of which read: '... France belongs in the Pacific as Ayers Rock belongs to the centre of Australia'. That statement sums up much of the attitude of the Chirac Government, which was in office from 1986 to 1988, and possibly other sections of the French community as well. After a change of government in France in mid-1988, the new Rocard Government adopted a less combative approach. Nonetheless, France remains strongly committed to its South Pacific presence.

During its period in office, the Chirac Government made clear its determination to continue its nuclear testing program at Mururoa, to remain in the region, to stabilise the situation in New Caledonia, and to attempt to keep New Caledonia off the political agenda in metropolitan France. Chirac reversed the tentative steps of the previous socialist government, which apparently were directed toward a form of 'independence-in-association' with France for New Caledonia. To counter island country action at the United Nations, Chirac held a referendum in New Caledonia (in September 1987) on the question of independence. In this poll 98 per cent of the 59 per cent of New Caledonians who participated voted to remain part of France. However, very few of the Kanaks, who comprise 45 per cent of the population, took part, and tension continued between the acutely polarised Kanak and settler communities. Neither move contributed to a political solution for the problems of the territory.

France's reasons for remaining a South Pacific power are numerous.[8] They include reasons, or at least arguments, about empire and the *mission civilisatrice*, access to strategic minerals and to potential oceanic resources, the need for a nuclear testing site to maintain France's independent deterrent posture in global affairs, France's contribution to regional security via its military and political

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8 Jean Chesneaux, 'France in the Pacific: Global Approach or Respect for Regional Agendas?', *Bulletin of Concerned Asian Scholars*, (Vol.18, No.2), April-June 1986.

presence, and a desire to have a role in the rapidly growing Pacific area economy.

In the face of regional criticism of the policies of the Chirac Government, France counter-attacked. Gaston Flosse, Chirac's Junior Minister for South Pacific Affairs, conducted vigourous 'cheque-book' diplomacy to some effect, especially in the eastern part of the region (but to the cost of former Solomon Islands Prime Minister, Sir Peter Kenilorea, who was toppled for accepting aid from Mr Flosse). One result has been to sharpen the divisions between Melanesia and Polynesia over France's role.

Under the new Socialist government of M. Michel Rocard, there has been some progress towards a resolution of the New Caledonian problem. A tri-regional, federal system has been established, with a referendum on independence to follow in 1998. The prospects for a smooth transition to a peaceful resolution are modest, but a less combative approach from Paris has permitted some accommodation between the island countries and France, although French testing remains a contentious issue.

Libya's interest in the South Pacific has created considerable alarm throughout the region and some controversy over the seriousness of Colonel Gaddafi's intent.[9] During 1987 senior Australian politicians and officials (along with Ambassador Vernon Walters) suggested that the Libyan threat was potentially more dangerous in the short term than that of the Soviet Union. However the then New Zealand Prime Minister, David Lange, took a different view. He suggested that, while a matter of concern, the Libyan foray was containable. Mr Lange made that statement following a dramatic night flight to Ohakea by Australian Foreign Minister, Bill Hayden, in May 1987.

The gist of the Libyan connection is that in recent years contacts have developed between a militant faction of the New Caledonian Independence Movement, FULK, and Tripoli. In 1984 seventeen Kanaks visited Libya for security training, and in late 1987 a similar number of Kanaks underwent such training. Those early

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9 David Hegarty, *Libya and the South Pacific*, Working Paper No.127, (Strategic and Defence Studies Centre, Australian National University, Canberra, October 1987).

trainees did not play a significant role in the disruptions that occurred in 1984-85, although some of the later trainees were allegedly involved in the traumatic killing and kidnapping of gendarmes at Ouvea in April-May 1988.[10] Libyan contacts also developed with some members of the ruling party in Vanuatu. Through that link, contacts were established between Libya and some exiles from the OPM Movement - the small guerrilla movement which operates in the PNG/Indonesia border area. A small number of Ni-Vanuatu have also received a short course in 'bodyguard/security' training in Libya. Some Libyan cash has found its way into the region (the press has mentioned about US$100,000), much of which would appear to have been consumed in travel and related activities. But there is no evidence of materiel being provided to the independence movements of the region. It would appear that the tactics employed by the Kanaks in their independence struggle derive mostly from local knowledge and from French army training during conscription rather than from external influences.

Libyan interest and activity appeared to be on the increase in early 1987. Representatives from New Caledonia, Vanuatu, the Solomon Islands, the OPM, and Australian Aboriginal groups, along with delegates from revolutionary movements in Southeast Asia and North Asia, attended a conference in Libya in April. The Vanuatu government appeared likely to allow the establishment of a Libyan People's Bureau in Port Vila. But the closure by the Australian government of the Libyan People's Bureau in Canberra in May, and Father Lini's decision to defer the establishment of a Bureau in Vanuatu, produced a lull in Libyan activity. However, statements from Tripoli, supporting the Fiji coup for example, indicated a continuing interest. Concerns were expressed throughout the region about Libya's interest. Essentially they revolved around the problems associated with the possible import of terrorism into the region and the possible destabilisation of domestic island politics. Later in the 1980s Libyan interest apparently waned, in part because of turmoil in the domestic politics of Vanuatu leading to the ouster from the ruling party of Barak Sope, the politician most associated with Libya. Nonetheless the connections between Libya and Yann Uregei, of the

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10 Helen Fraser, 'A Deadly Struggle', *Sunday Star* (NZ), 1 May 1988, p.A12.

New Caledonian FULK, have been maintained. But although Libya is an especially interesting new player on the regional scene there are other, more important players whose interests should be canvassed.

Japan is an increasingly important element in any South Pacific equation, because of its growing economic strength and increased interest in the region. It made a rapid response to increased Soviet interest. The Kuranari Doctrine, announced in Suva in early 1987 proposed a considerably expanded aid program, technical training, support for regional initiatives and the encouragement of peace and stability in the region. (See Table 5:1 for Foreign Aid to the South Pacific.) Japanese officials point out that this policy had been in the incubator for some time and was not simply a knee-jerk reaction to the increase in Soviet interest.

Japan is in the process of adjusting to its economic superpower status. It has an obvious interest in the security of the South Pacific, which represents a southern flank, and more generally wishes to assure the security of sea lines of communication. Should Japan go ahead with a plan for a satellite/space communications facility on Christmas Island in Kiribati, that security interest will strengthen. But despite its influence in the economies of the region, Japan has difficulty in adjusting to the 'smallness' of the South Pacific. One sign of a new Japanese awareness of island concerns has been the decision to phase out drift-net fishing.

The United Kingdom remains an important aid donor and, despite a decline in its interest in the region, still remains as a stabilising element, as witnessed to some extent during the trauma in Fiji. There are signs that the decline in British interest in the South Pacific has been arrested.

China has had quite strong diplomatic representation through the region for a number of years, but it has maintained a low profile. There are some signs now that China is becoming more active, in response to the changing security environment of the South Pacific. China has embassies in Papua New Guinea, Fiji, Western Samoa and Kiribati. It is motivated by diplomatic rivalry with the Soviet Union and Taiwan, and wants a secure environment in its strategic 'middle distance'. Taiwan also has been active in the region, seeking support from overseas Chinese communities.

Table 5:1: Foreign Aid to South Pacific Region

Country	Total aid (A$'000) 1986	Aid per capita (A$) 1986	Aid as % of GDP 1986	Principal aid donors (% share of total) 1986
American Samoa	63,235	1,752	23(b)	USA (100)
Cook Islands	16,821	978	53	NZ (65)
Fiji	40,683	57	2	AUS (50) JAP (25)
French Polynesia	325,830	1,850	10	FR (99)
Guam	49,119	419	3	US (100)
Kiribati	18,500	283	58	JAP (30) UK (30)
Nauru				
New Caledonia	139,442	927	16(c)	FR (93)
Niue	6,651	2,660	84(c)	NZ (84)
Papua New Guinea	431,500	127	11	AUS (75)
Pitcairn	298	2,980		UK (100)
Solomon Islands	51,363	182	23	EEC (35) AUS (30)
Tokelau	1,845	1,153		NZ (98)
Tonga	13,360	141	13(b)	AUS (30) NZ (24) JAP (23)
Trust Territory of the Pacific Islands (a)	341,471	2,067		
Tuvalu	5,758	685	118(b)	UK (37) AUS (24) NZ (20)
Vanuatu	33,443	239	19	UK (28) AUS (24) EEC (8) FR (8)
Wallis and Futuna	26,012	1,819		FR (88)
Western Samoa	25,343	157	17	JAP (35) AUS (20) NZ (17)

(a) Covers the Federated States of Micronesia, Marshall Islands, Northern Mariana Islands and Palau. Separate figures are not available for individual countries.
(b) Calculated on 1985 figures. 1986 GDP figure not available.
(c) Calculated on 1984 figures.

Source: South Pacific Commission. Table prepared by Stephen Bates.

Indonesia is a recent player. It has a mix of interests related to the region's burgeoning Melanesian nationalism as well as to the activities of the Soviet Union and China. It is conscious of broad Melanesian sympathy for the OPM rebels in Irian Jaya. Indonesia worries about an unstable and/or an adventuristic Papua New Guinea. It sees Vanuatu as a source of criticism of its policies in East Timor and Irian Jaya, and as a potential backer of dissidents. Indonesia's military assets near the region include four battalions stationed in Irian Jaya. The Indonesian navy may have an interest in the former US base on Manus Island.

Indonesia's approaches for some form of participation status at the Forum are likely to be turned down, but the coup in Fiji has provided the opportunity for military contacts with Fiji. Indonesia has also criticised French rule in New Caledonia, where there remains a small Indonesian community of some 5,000, on the grounds that France is alienating pro-Western island opinion.

Singapore and Malaysia also have shown an interest. They are pursuing commercial and investment opportunities, especially in Papua New Guinea. They want stability in the region and have been concerned about Soviet and other 'meddling'. Interestingly, ASEAN in some respects offers a model for the South Pacific Forum.

India's interest in the region has been sparked by developments in Fiji and by concern about the future welfare of the Indo-Fijian community. At the 1987 Commonwealth Conference in Canada, Prime Minister Gandhi spoke out about the coup in Fiji and its likely impact. India continues to be critical of developments in Fiji - and of Australia's pragmatic response to them. In May 1990, Fiji closed the Indian embassy in Suva. Indian naval strength and reach is increasing.

Israel has also shown a new interest. In 1987, Israeli diplomatic and other activity became noticeable. Israel established an embassy in Fiji in 1988. Richard Herr has suggested that this initiative is related to contacts between Israel and the Fijian armed forces in the Middle East, where Fijian forces have taken part in peace-keeping. But it seems equally likely that Israel has decided to respond to Libya's interest in the region, in an effort to head off negative publicity.

Postscript

The foregoing has reviewed the interests and activities of the external powers that have had and are having some impact on the South Pacific region. As of 1990, outside interest as well as competition for influence in the South Pacific has undoubtedly increased. A process of 'internationalisation' has taken place in recent years involving an interaction between increased external power interest and increased interest by South Pacific countries in diversifying their external relations. The political temperature of the region has risen and the security (or insecurity) assessment has been notched up several points. This carries defence and foreign policy implications not only for the two regional powers, Australia and New Zealand, but also for the Pacific island countries.

This is not to suggest that the South Pacific is a likely zone of conflict, or a potential 'flash point' in world affairs, or a region on the point of disintegration. But it is true that the region is now much less settled than at any period since the Second World War, and that the sense of a South Pacific community is under some challenge. It is also quite clear that Grimble's 'pattern of islands' is changing yet again.

The decline in tension between the superpowers which occurred late in the decade of the 1980s took the edge off external-power competitiveness in the South Pacific. Nonetheless the interest and activity of those powers in the region continues. The Soviet Union established its first embassy in the islands region in Port Moresby and successfully concluded a fishing deal with Papua New Guinea. In Soviet 'new thinking', Australia's role in regional affairs has assumed importance as that of an honest broker, enjoying a unique status as a middle power with steady contacts with both the US and the Soviet Union and with an understanding of the reality of Asia/Pacific affairs. Soviet thinking thus views Australia as an 'agent of influence' through which Soviet diplomatic momentum in the Asia/Pacific region might be increased.[11]

The United States' incrementally paced policy attention to the region continued, although not without problems. The use of facilities

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11 Andrew Clark, 'Soviets Make Pacific Plans', *Australian Financial Review*, 9 January 1991, p.8.

on Johnston Atoll for a chemical weapons destruction program (JACADS) provoked regional consternation. However, an unprecedented summit in Honolulu in October 1990, in which US President Bush met with all Pacific island heads of government, assuaged much of the anti-US feeling.[12]

Japan diversified its relations throughout the islands region and trebled its aid to US$93 million in 1988, making it the largest donor alongside Australia.[13] France increased its aid to selected island governments, doubled the staff in its embassy in Fiji, and became more alert to island concerns over the future of New Caledonia.[14] India announced that it would undertake an international campaign against Fiji for its 'racial discrimination' against Indo-Fijians, and continue to block Fiji's re-entry to the Commonwealth.[15] Taiwan, exercising its 'elastic diplomacy' and attempting to capitalise on the cooling of relations between the PRC and the international community in the wake of Tiananmen Square (June 1989), lobbied throughout the region for wider official contacts. The PRC lifted its diplomacy in a counter-move.[16] Israel concluded diplomatic relations with all island governments. Libya's interest and influence apparently declined.

A major advance in regionalism occurred from 1989 onwards with the institution of a post-Forum dialogue process between the Forum and its major donor partners (excluding the 'traditional' partners, Australia and New Zealand). The Australian government, in its search for a framework of relations with the South Pacific for the 1990s, produced a major document, *Australia's Regional Security*, while the Australian Parliamentary Committee on Foreign Affairs, Defence and Trade produced a report on *Australia's Relations with the South*

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12 'Bush Promises Safety in Destroying Chemical Weapons', USIS Wireless File, East Asia and Pacific, 29 September 1990.

13 Sadaaki Numata, 'Japan's Cooperation with the South Pacific Region', *Pacific Economic Bulletin*, (Vol.5, No.2), December 1990.

14 Stephen Henningham, 'French Spending in the South Pacific', *Pacific Economic Bulletin*, (Vol.4, No.2), December 1989.

15 'Indians to Target Fiji for Racism', *Weekend Australian*, 12-13 May 1990, p.13.

16 Thomas V. Biddick, 'Diplomatic Rivalry in the South Pacific: The PRC and Taiwan', *Asian Survey*, (Vol.XXIX, No.8), August 1989.

Pacific.[17] New Zealand also reviewed its relations with the region, in a report entitled *Towards a Pacific Islands Community*.[18]

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17 Commonwealth of Australia, Department of Foreign Affairs and Trade, *Australia's Regional Security;* Parliament of the Commonwealth of Australia, Joint Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with the South Pacific,* (Australian Government Publishing Service, Canberra, March 1989).

18 New Zealand Prime Minister's Department, South Pacific Policy Review Group, *Towards a Pacific Islands Community,* [the Henderson Report], (NZ Government Printer, Wellington, May 1990).

CHAPTER SIX

FRANCE IN THE SOUTH PACIFIC

Yves Pimont

The word 'Pacific', as understood in France, encompasses three different concepts. First, the Pacific is the world's largest ocean (176 million km^2, three hundred times larger than France) to which is linked the history of the great navigators and a whole imagery developed by literature.

Second, the Pacific is also the Pacific Basin, comprising both an Asiatic and an American shore. It is to this second notion that most studies and discussions relating to the Pacific refer.[1] The fact that the USA, the Soviet Union, Japan, China, Indonesia and the newly industrialised countries form part of this basin confers an outstanding interest to every project related to it including, for example, the notion of a Pacific Basin Community.

Third, the word Pacific corresponds to the traditional designation of the fifth continent: Oceania. We also speak of the Oceanian Pacific which includes, dispersed over the vastness of the ocean (17,500 km at its widest part), micro-states or insular territories[2] which are, for the most part, unknown to the general public in France and Europe. This Oceanian Pacific, which includes several thousand islands, is divided into three main parts which correspond to distinct cultural and geographical areas: Micronesia, Melanesia and Polynesia. They meet each other roughly around the double separation made by the international date line and the equator. It is thus possible, in travelling from one point to the other, to go back from today to yesterday, as well as to change hemisphere and, consequently, abruptly change season.

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1 H. Coutau-Bégarie, *Géostratégie du Pacifique*, (Economica, Paris, 1987).

2 See B. Antheaume and J. Bonnemaison, *Atlas des Iles et Etats du Pacifique Sud*, (GIP Reclus/Publisud, Paris, 1988).

If we regard the equator as a line of division, it quickly becomes obvious that the northern Pacific comprises fewer territories than the southern Pacific and that it is a zone where American influence is largely dominant. There we find: Hawaii, a federated state of the USA and headquarters of the US Military High Command for the Pacific and Indian Oceans, famous for its base at Pearl Harbor; Guam, a non-incorporated territory under the control of the US Department of the Interior, on which are located important aircraft and naval bases; the Northern Marianas islands, in which Washington is in charge of foreign affairs and defence; the Federated States of Micronesia, and the Marshall Islands, where the US is responsible for defence; and, lastly, the Republic of Palau, which is completely dependent on American aid and has an unsettled relationship with the USA because of its anti-nuclear Constitution.[3]

In the southern Pacific are a larger number of states and territories. Two of these, Australia and New Zealand, must be classed separately. Australia (7.7 million km^2 [more than twice the surface area of India], 16 million inhabitants [the same as Holland], and an army of 70,000) is thought of as the 'Pacific giant',[4] which naturally encourages it to play the role of policeman in the region and to exercise authoritative power in every sphere. New Zealand (268,700 km^2, 3.4 million inhabitants and a 13,000-man army) cannot claim the same influence, especially when it is threatened with economic decline and confronted with the Maori problem.

France is present in this part of the southern hemisphere. But, before discussing the issues linked to the French presence, it is necessary to review the characteristics of the nineteen states and island territories of the South Pacific.[5] Beside those two important members

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3 To these we can add Wake and Johnston islands plus, in the southern hemisphere, American Samoa.

4 X. Pons, *Le Géant du Pacifique*, (Economica, Paris, 1988).

5 Guam, the Northern Marianas and the Micronesian states, geographically located in the north, are politically linked to the south and are, for example, part of the South Pacific Commission (SPC). Accordingly, the figures quoted in the text include these three territories and refer to the 22 states and insular territories of the South Pacific, to which must be added Australia and New Zealand. This figure of 24 becomes 25 in some papers when

of the Commonwealth already mentioned, the Pacific islands in question have a surface area which is slightly larger than that of France (555,044 km2) and a population close to 6 million inhabitants (estimated to increase to 7.5 million by the year 2000). Among them, Papua New Guinea appears as a major state, as it possesses two-thirds of this total population with 3.4 million inhabitants, and four-fifths of the whole area with 462,243 km2. At the other extreme are Tuvalu, independent since 1978 (26 km2 and 8,500 inhabitants), or even the British territory of Pitcairn (5 km2, 100 inhabitants).[6]

As well as small populations, the South Pacific islands have very few natural resources, and these are limited mainly to the phosphate of Nauru, New Caledonia's nickel and the copper of Papua New Guinea. Additionally, where commerce is concerned, it is necessary to take into account the huge distances that separate these island countries from major markets, and not to forget their dependency on a few products, or even just one, assuming that the main resources of the country are not limited to 'the sun, the wind and part of the Pacific Ocean'. Lastly, their employment problems are perhaps still more acute since over 40 per cent of the population is less than 15 years old and the average age is between 16 and 20 years.

The result is a vulnerability on the part of these small island countries, increased by exposure to a regularly hostile natural environment and by a strong dependence on external aid. Independence has, for them, no meaning in the economic sense.

On the political level, the image of the 'peaceful Pacific' has often been evoked. In this way, ten years ago, the political leader of a state in the region declared before the General Assembly of the United Nations that 'our islands are located in a part of the world where serenity reigns'. At the beginning of the last decade the idea of these 'blissful islands' seemed well established, since one could testify at that time that there had never been any revolution, coup or military regime imposed by force in the South Pacific. Since then, events in Fiji and Vanuatu have given the lie to these affirmations. In May and

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Norfolk Island - an Australian territory located between New Caledonia and New Zealand - is specifically included.

6 All statistical data are taken from South Pacific Commission, *South Pacific Economies Statistical Summary*, No.10, 1986.

September 1987, two successive coups brought Lieutenant-Colonel Rabuka into power in Fiji, and inevitably shook the whole region, even if their underlying reason, the existence of two separate communities[7] equal to each other in size and showing no integration with each other, was specific to Fiji. In Vanuatu, a political crisis resulted in an attempted coup in 1988, led by the head of state himself, which resulted first in his imprisonment and then in his replacement.

Despite these few disturbances to its serenity, the South Pacific remains a region where serious conflicts are unknown. One commentator wrote in 1983 that 'the Pacific islands are not very important to the industrialised nations because their resources are limited, their financial capacities are ridiculous, and their strategic value is insignificant'.[8] This opinion is reflected in J.F. Noiville's later description of an Oceania that 'remoteness, lack of any real economic and strategic worth, and the general antipathy of its populations to whatever comes from outside, keep in a state of isolation'.[9] One could also cite the recently published document 'Géostratégie et Défense', where the South Pacific is not given any special mention.[10]

One should obviously be pleased at finding an area of reduced political tension in the world. Yet some believe that the Pacific will be at the 'centre of the world',[11] the future location of major interests, and that serious consideration should be given to Marx's prediction that the Pacific Ocean will assume the dominant role first played in history by the Mediterranean and secondly by the Atlantic Ocean.

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7 At the end of 1988, the indigenous community numbered 342, 965 and the Indian community 340, 121.

8 L. Kavalidu, 'Une Stratégie du Développement des Iles du Pacifique', *Perspectives du Pacifique*, (Port Vila, 1983), p.176.

9 J.F. Noiville, 'Les Multiples Visages du Pacifique', in Lesourne *et al.*, *La Fin des Habitudes*, (Seghers, Paris, 1985).

10 *Les Cahiers Français - La Documentation Française*, (No.241), May/June 1989.

11 Institut du Pacifique, *Le Pacifique, Nouveau Centre du Monde*, (Berger-Levrault, Nancy, 1986).

The Pacific definitely does not deserve to be forgotten,[12] and none of the major powers, including France, ignores it. 'The future is the ocean in the centre of which you live', proclaimed General de Gaulle in Tahiti in 1966.

For its own part, France occupies a similar position in the South Pacific, inasfar as is possible, as the United States does among the island entities of the North Pacific, with the fundamental difference however that France is not there by itself. It is thus appropriate, taking into account the environment described, to consider the two following questions:

- What, *for France*, are the effects of its presence in the South Pacific, evaluated as much from the point of view of the advantages it might gain as of the difficulties it might face?
- What, *for the South Pacific*, are the effects of the sovereignty exercised by France over certain territories in the region?

In order to seek to answer these questions, this chapter reviews the different issues and problems, national on the one hand, regional on the other, which arise because of the French presence in this part of the southern hemisphere.

The French Presence

France exercises its authority over a number of islands grouped into three Overseas Territories (TOM): New Caledonia and the islands associated with it (article 4 of the legislation of 9 November 1988), French Polynesia, and the territory of the Wallis and Futuna

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12 In a book published under the title *La Troisième Guerre Mondiale*, (Belfond, Paris, 1979), a translation of General Sir John Hackett *et al.*, *The Third World War: A Future History*, (Sidgwick and Jackson, London, 1978), the author does not give any role to the Pacific in the imagined scenario. He merely points out at the end of the work, in a chapter on 'The Beginning of the Future', that 'Australia and its neighbouring islands will be among the pleasant places to live in the era of telecommunications'.

islands. In 1980 it recognised the independance of the New Hebrides (now called Vanuatu), after having jointly exercised sovereignty there in a condominium with Great Britain for more than seventy years (from 1906 to 1980). The French presence is thus spread over several thousand kilometres between the coasts of Australia and America.[13] It has been in place since 1853 in New Caledonia, 1824-1880 in French Polynesia,[14] 1886-1887 in Wallis and Futuna. These three territories occupy very unequal and relatively small land areas: 19,103 km^2 in the case of New Caledonia, 3,265 km^2 for French Polynesia, and 255 km^2 for Wallis and Futuna. Their respective populations are 164,173, 188,814 and 16,100 inhabitants. The French presence thus only concerns 400,000 persons spread over a little more than 22,500 km^2 of emerged land.

Each of these territories is subject to a legislative statute which is by definition both specific and evolutionary. The legislation of 29 July 1961 defines the status of Wallis and Futuna, the law of 6 September 1984 that of French Polynesia, this latter being presently under revision for purposes of 'modernisation'. Lastly, the territory of New Caledonia is organised on the basis of the referendum law of 9 November 1988, 'preparatory to self-determination in 1998'. Without entering into the constitutional details defined by these texts, it will be recalled that all these statutes involve membership of the French Republic. This condition was freely accepted by the 8 September 1958 constitutional referendum for New Caledonia and French Polynesia, and by the 27 November 1959 self-determination poll for Wallis and Futuna, which was previously a protectorate. As a result, these three territories come under Article 74 of the Constitution of 1958, and experience greater or lesser degrees of autonomy. In each case, foreign

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13 Clipperton Island, in the high seas off the Mexican coast, in the northern hemisphere, has been a French territory since 1858. It is administered by the High Commissioner in French Polynesia. During a debate on the 1984 statute, the senators proposed an amendment to recognise the island as belonging to French Polynesia and 'to give legal recognition to a reality'. This amendment was not adopted.

14 The Marquesas were annexed in 1842, the Windward Islands (Tahiti and Moorea) in 1880. Annexations continued until 1901.

affairs, defence and the administration of primarily strategic issues, among others things, remain under the jurisdiction of the French state.

By way of example, however, we will note that Article 88 of the above-mentioned 1988 bill on New Caledonia gives some international jurisdiction to the presidents of the Congress or of the provinces, and that the plan for French Polynesia anticipates granting the president of the territorial government the power 'to negotiate agreements in matters concerning the territory or the state in the Pacific region'.

From these 'mooring-points' in the South Pacific, France maintains a presence more than a century old. We can try to appreciate the various issues raised by this presence before making some comments on the specific problem raised by New Caledonia.

The lands under French sovereignty in this part of the southern hemisphere can be regarded as being a fundamental element of the power and prestige of France. In fact, the Pacific is the only part of the world where the major economic and political powers find themselves gathered together, whether they are located on the edges of the basin and have their major interests there, or whether they are there in the capacity of metropolitan power, administering an island territory, however small it may be.[15] Being present in the Pacific thus means being sure of a place among the major powers and participating in the decisions affecting a zone whose geostrategical importance is in no doubt. For France, in addition, its position in this 'Anglo-Saxon lake' where certain Asian countries such as Japan, South Korea and Taiwan exercise their influence, provides another opportunity to play a part in international political life and to occupy a place in the Asia/Pacific region,[16] whose evolution will largely determine the trends of the twenty-first century.

Reinforcing this non-quantifiable aspect of strength, which results from its mere presence, France is, because of the exclusive economic zones, the world's third greatest maritime power, after Great Britain and the USA, with more than 11 million km^2 under its control.

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15 The example of Great Britain, present on the 5 km^2 of Pitcairn, is significant.

16 In the French Ministry of Foreign Affairs, Asia and Oceania are grouped together under the same department.

The maritime domains of the French possessions in the Pacific represent by themselves 7,600,000 km^2.[17] Even if exploration of economic zones does not always seem to have met expectations, we can predict that fishery and aquaculture resources will be more and more sought after, especially by Asiatic countries. France thus owns, by virtue of its positions in the Pacific, an important bargaining element for future negotiations with Japan, the Soviet Union or Korea.[18]

Power must also be considered from a military point of view. In this case, the Pacific appears as the 'oceanic theatre' that complements the three others where France is present (the Atlantic, the Indian, and the Mediterranean).

Consequently, as military authorities point out, there is a cohesiveness to be maintained. The presence of France in every part of the globe demonstrates, through the string of bases which allow French ships to go around the world and regularly find themselves in France again, the world-wide role it is still able to play. Moreover, it will in future also be necessary to take into account the importance assumed by the land of the sovereign nations of the Pacific in the support and control of activities in space. The exploitation of space requires ground facilities, and the wide distribution of French possessions in the Pacific allows the maintenance of a word-wide telecommunications network.

The French presence must also be understood from the viewpoint of our nuclear deterrent. This is a sensitive subject for the states of the region, and one that we will have to return to. It is in fact in the Pacific that all our nuclear tests are carried out, and the Pacific Experimentation Center, established in 1966, is essential for the independance and credibility of French deterrent power. In a debate

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17 Without its Overseas Departments and Territories (DOM-TOM), France would fall from 3rd to 45th rank.

18 The draft revision of the French Polynesian statute anticipates that 'The State concedes to the territory the exercise of powers in the exploration and exploitation of natural resources, biological or non-biological, in the deep sea, of the sea bed, of its subsoil and of the overlying waters'. (French Polynesia comprises more than 5,000,000 km^2 of EEZ.)

which is always difficult, one must put forward, from the French point of view, the necessity of keeping up with our nuclear tests as long as the superpowers maintain their arsenals and while other countries have access to nuclear arms, as well as the need to keep in check, by our presence, a potential military threat to the Pacific. Thus we can affirm that our deterrent arms tested in French Polynesia are a contribution not only to peace in the region, but also to world peace. Security in the South Pacific has for a long time been assured by the ANZUS treaty (Australia, New Zealand, USA), signed in 1951. This alliance is now in question because of the anti-nuclear attitudes of New Zealand. Hence, the French presence is perceived, especially from the American side, as a help in strengthening security and a guarantee to the stability of the region.

To this description of diplomatic, maritime and military power accruing to France by virtue of its presence in three Pacific territories must be added the prestige of a 'certain idea of France'. The French territories are, in the South Pacific, those which have the highest standard of living, along with the American island of Guam,[19] and travelling in the Pacific allows rapid verification of the quality of public facilities and the individual standard of living in the French territories. This reality cannot be dissociated from the presence of France which is, because of the sums contributed to its territories, the principal donor to the states and territories of the South Pacific (495 million Australian dollars in 1986, as against 445 for the United States, 390 for Australia and 41 for New Zealand).[20] The French 'shop window' shows very well the effects of the French presence in the three territories in economic and social terms.

Further authority accrues to France because it is viewed, in the region, as a defender of basic democratic values. It would without doubt be improper to ignore certain behaviour in certain circumstances. Nonetheless, France has never tried to systematically eliminate the populations already established on its territories.

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19 More than 17,000 Australian dollars gross national product per capita for French Polynesia, and more than 6,000 for New Caledonia as opposed to 2,500 for Fiji, 1,100 for Papua New Guinea, 1,200 for Vanuatu, and 800 for the Solomon Islands.

20 South Pacific Commission, *South Pacific Economies Statistical Summary*, No.10, 1986.

Accordingly France (unlike other countries of the region, according to some accounts) can uphold the respect for minorities upon which democracy is based. In the same way, by agreeing to acknowledge self-determination and to consult populations through referenda, France shows its readiness to follow the will of the majority.

Lastly, France disposes in the Pacific a cultural capital which enables it to confirm its prestige. The presence of research organisations such as ORSTOM, the Pasteur Institute, CIRAD, IFREMER, as well as the creation in 1987 of the French University of the Pacific, based in Noumea and Papeete, adds to the list of advantages that France draws from its presence in the Pacific.

But the various arguments describing a France that is powerful, distinguished, a protector of the West and a guardian of democracy, must today be balanced against the difficulties it simultaneously faces because of its presence in the South Pacific. In fact, it is also denounced there as a colonial power, European to boot, and is arraigned before international authorities. Once more, since the end of the Second World War, France has to face the problem of decolonisation - this time in New Caledonia. It is thus useful to recapitulate a debate where the question is that of a partial disengagement of France in the Pacific, as from 1998.

France has been present in New Caledonia for 137 years. The various advantages to be gained from this presence have been continually discussed during the last few years. The strategic interest should be considered first. It is appropriate that we should recall the role played by the territory during the Second World War, and particularly during the battle of the Coral Sea in May 1942. The location of the archipelago, considered as an 'aircraft carrier', is in the centre of two major lines of communication, Australia-Japan and Australia-USA, the importance of which would be considerable in the case of the Indonesian straits being closed. In addition, as nuclear submarines are not able to pass through these straits underwater at sufficient depth, New Caledonia could also serve as a base from which to monitor the routes between the Indian and Pacific oceans.

Observation post, checkpoint, gateway - New Caledonia has been described through the use of these epithets as being strategically important for France. Yet these views must be qualified by an established fact: France does not seem to want to play a major role in

the defence of the Pacific. It feels less concerned by the region than do the United States, Japan or, obviously, Australia. The abandonment of the project to strengthen the military base in Noumea, announced in January 1985 by the President of the Republic, clearly demonstrates this. The strategic interest of New Caledonia thus seems to be essentially negative, since it prevents the progress of a potential enemy, in this case the Soviets.

The possibility of a fundamental change in the status of New Caledonia gives rise, however, to worries about a 'contagion', or chain reaction, leading to questioning of the presence of France in French Polynesia. The argument is particularly serious since it is indisputable that the CEP bases represent a strategic capital stake for France in the South Pacific and that on this point no unfavourable transaction will be entertained. However, the fear of an automatic triggering off of political demands across the ocean appears unfounded. Pro-independence sentiment in French Polynesia does not bear comparison with that sentiment in New Caledonia. Five thousand kilometres separate the two territories, which belong to quite distinct zones of influence and to different cultural areas. The two territories are not linked in their futures, and this is indeed clear from the presently recognised status of each of them. From the strategic viewpoint New Caledonia is not, unlike French Polynesia, indispensable for France's defence policy. It is thus excessive to present New Caledonia as a keystone which, breaking apart, would destabilise the zone, especially the francophone part, and facilitate the establishment of Soviet client states. In this sense, the visions of a 'mini-Cuba' feared by some authors[21] do not constitute serious hypotheses for the future.

In the economic sphere, the value of New Caledonia is evident. It is therefore all the more remarkable that France gains hardly any economic advantage from its presence in the Pacific. France's overall positions in this regard are inferior to those of the principal European countries. Nevertheless, New Caledonian nickel production is a source of revenue and of currency when exchange rates are, as at present, at high levels.

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21 C. Zorgbibe, 'Géopolitique Contemporaine', *Que Sais-je?*, (No.693), 1986, p.120.

Strategic value for France (that for some people is connected to a 'fantasy' of power) and economic value (that principally profits the territory rather than the French state) cannot be politically and morally acceptable arguments for preventing the development of New Caledonia in the way desired by the majority of its population. One should not forget that neither the reserves of gas and oil, nor the military base of Reggane, sufficed to ensure maintenance of the French presence in Algeria. Aware of this, the anti-independentists talk also about the geography of the zone, to demonstrate the traps of independence and to reason in comparative terms. The economic difficulties encountered by some neighbouring countries that have become independent, the political confrontations that take place there, are taken as a pretext to justify France's continued presence. It is becoming established in some people's minds that France has an incontrovertible duty to be present, because without it the Southwest Pacific region would fall under a Soviet hegemony, while some Castro-like figures would not rest until all Western influence is eliminated from the zone. What France would reap from this situation would be not only its own decline but also the blame, before the community of free peoples, for an abandonment that would strike first and foremost its own nationals. Once more we find threatened the apocalyptic ritual that accompanies all decolonisation. We know in advance all the excesses that it contains. Yet although the experiences of history and the constraints of geography should not leave us indifferent, they should be remembered more in order to construct than to impede.

The present political climate leads us to conclude that France will be able to retain its interests within a new, cooperative framework. The French policy of cooperation, despite some failures, has shown that the power and prestige of France could be maintained, under the double conditions that the recognition of its sovereignty rests on the definition of a future that is based on consensus and is not the result of a brutal separation, and that this metropolitan presence would be accepted in the region as a collective safeguard. This is why the French Minister of Overseas Departments and Territories was able to declare that it is now necessary, in the Pacific, to recognise 'the need for France as an agent of enrichment of the region, as much on the cultural as on the economic and social levels'.[22] This is to underline all

22 Introductory speech at the meeting of senior French civil servants

the care that France should give to the relations that it maintains with the community of South Pacific states.

France and the Regional Organisations

In the South Pacific, the position of France should be considered in its relations as much with the existing regional organisations of Oceania as with the sovereign states of the region. However, it is necessary to note that the international environment, when not openly hostile to France, is not always favourable. Moreover, all the advantages that France gains for itself and its allies from its presence in the Pacific can be simultaneously reduced to nothing by the attacks that have been made on it and that have on many occasions put it in an isolated situation or have had it declared undesirable.

France and its three Pacific territories belong to the South Pacific Commission (SPC), the headquarters of which are in Noumea. The idea of such a commission originated with Great Britain, before being adopted by Australia and New Zealand in 1944. The convention founding the Commission was finally signed in Canberra on 6 February 1947, and entered into force in July 1948 after its ratification by the six parties concerned, the dominant powers of the Pacific: Australia, the United States, France, Great Britain, New Zealand and the Netherlands. To this Commission, confined to these six countries and set up as a decision-making body, was added a Conference associating 'representatives of local populations and official institutions'. Initially only the territories 'located completely or partly south of the equator and east of Dutch New Guinea, including this latter territory' were involved. An initial amendment to this statute was made in 1951 by the introduction of the American territories of the north Pacific (excluding, however, Hawaii and Wake Island) to the zone of action of the SPC. A second modification was made in 1964 to recognise the withdrawal of the Netherlands, after the transfer in 1962 of the territory of Dutch New Guinea to Indonesia, under the name of West Irian. The development of the organisation was subsequently characterised by the progressive transfer of power from the metropolitan countries to the island states and from the Commission to

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in the South Pacific, Noumea, 10-12 February 1989.

the Conference. Western Samoa was the first island state to become a full member of the Commission in October 1965. In 1974, the two bodies joined together, thus conferring control of the organisation to the island countries. After this, several newly independent states became members of the SPC, which today includes 27 states and territories, among them France, the United States and Great Britain, the metropolitan powers.[23]

The apolitical role of the Commission allows a general gathering of the states and territories of the zone, but in parallel has also led to a certain disenchantment with an organisation that appears indifferent to the major political problems of the region. Thus socio-economic development is the major preoccupation of the largest regional organisation in the Pacific. All questions relevant to education, training, health, pollution, management of the marine environment, etc., are addressed by it. The usefulness of the Commission is thus not in question, and one can only be pleased at the existence of an organisation preoccupied by the search for solutions to concrete economic, social and cultural problems. France (the fourth-ranking state of the organisation after Australia, the United States, and New Zealand, based on the percentage of its financial contribution) demonstrates, not only by the funds contributed[24] but also by the activities of its specialists, a dominant presence, linked to those of its three territories.[25]

In addition to the South Pacific Commission there has existed, since 1971, the South Pacific Forum. Created at the initiative of the newly independent island states of the period, Western Samoa, Nauru,

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23 These three states by themselves make statutory contributions of more than 45 per cent of the Commission's budget, Australia nevertheless remaining the major contributor with more than 33 per cent.

24 It is necessary to add to the statutory contributions the 'extra-budgetary contributions' which allow the financing of certain programmes (plant protection, South Pacific Regional Environment Programme, etc.). In total, for 1990, France will place at the SPC's disposal 8,503,011 French francs.

25 Certain French institutions also sit as observers at the General Conference: the Pasteur Institute, ORSTOM, the French University of the South Pacific, IFREMER, and CIRAD.

Fiji and Tonga, it was opened to Australia and New Zealand. However, France was not admitted since these states wished to convene out of the presence of metropolitan powers from outside the region. The existence of the Forum has not been ratified by a treaty. It operates as an association of the heads of government of independent and autonomous states, which presently number fifteen. Unlike the SPC, this new organisation is open to political debate, and this is often to France's cost. Papua New Guinea (independent since 1975) and Vanuatu (independent since 1980), supported by Australia and New Zealand, have stirred up an anti-French campaign. Particularly with regard to New Caledonia, the Forum recognised 'the efforts of the Kanak people to achieve self-determination and independence by peaceful methods' (Rotorua meeting in August 1982) and later agreed to support, at the initiative of Vanuatu, a request for the inscription of New Caledonia on the list of countries to be decolonised. The Forum countries, all members of the UNO, in this way became mandated to defend the resolutions adopted by the 41st and 42nd sessions of the UN General Assembly in December 1986 and 1987.

The activism of Papua New Guinea and Vanuatu can be explained by the fact that, like these two states, New Caledonia forms part of the Melanesian whole, and constitutes the only part which has not achieved independence. This area of the Southwest Pacific is furthermore subjected to two neighbouring local powers: Australia and New Zealand. An inevitable relationship has thus been established there between the geographical and cultural context and international politics.

The Melanesian states (Papua New Guinea, Vanuatu, Solomon Islands) have formed among themselves the Melanesian Spearhead Group, the first formal conference of which was held in Port Vila in 1988. The constitution of an internal grouping within the Forum appeared likely to compromise the Forum's cohesion, even if the new group undertook to limit its activity to the problems of New Caledonia.[26] France could thus hope for a weakening of the Forum

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26 Since the meeting that was held in March 1990 in Honiara the Spearhead Group has co-opted the FLNKS in the capacity of observer. A strongly critical reaction was expressed by the representatives of the European Community in New Caledonia.

and could detect the signs of some internal disagreement in the Forum about New Caledonia.

There is no doubt that this politically oriented Melanesian organisation embodies a cleavage, the merits of which are just as difficult to establish for its members as for the entire group of South Pacific states. This assertion is even more true because the establishment of the Spearhead Group took place at the very moment when there was developing a movement supporting the establishment of a unique regional organisation that would put an end to the distinction between the states or territories belonging to the SPC and those belonging to the Forum. The members of the Forum who promoted the idea had been feeling for several years that the South Pacific Commission had lost its usefulness, following the creation by the Forum in 1972 of SPEC (the South Pacific Bureau for Economic Cooperation), which in 1988 became the Forum Secretariat. The two organisations had in fact the same aim of promoting the economic development of the region.

Behind the arguments, that focused on the need to avoid any waste, overlap or duplication of effort in the work carried out, there was also an inclination to exclude from the regional debate the metropolitan powers, among them France, or at least to reduce them to the rank of observers. At the initiative of the Forum's General Secretariat, the South Pacific Organisations Coordinating Committee (SPOCC) was established and the SPC decided, during its general Conference in Guam in 1989, to participate fully in the work of this committee.

Although it is not necessary to develop here the diverse questions relating to the way regionalism functions in the Pacific, we can query the position of France in this area. The refusal of France to participate in organisations that do not seem to correspond exactly to the defence of its own interests would doubtless put these organisations in a position of losing substantial financial support, or even make them inoperative in certain areas of their activity. But it would also lead France into isolation and alienate it from the countries of the region.

The pre-eminent role that France plays in the South Pacific Commission thus justifies its presence within all regional organisations, where it must at the same time be careful not to be

involved in a reduction of its powers. This is why its representative has put the accent on the necessity of preserving equality in plans for the restructuring of regional organisations in the Pacific. In fact, the SPOCC counts no less than five members deriving from the Forum,[27] as opposed to the SPC alone. Neither France nor its territories are members of these organisations. As a result of this unequal relationship Australia, in particular, present in all six organisations, could acquire too marked a preponderance over the zone as a whole under the pretence of a single regional organisation. A policy of excluding non-regional metropolitan powers would oblige Australia to accept responsibilities that it is not able to fulfill by itself. Such concerns have led France to try to re-establish the SPOCC project as a 'gentlemen's club where regional problems could be debated in an amicable manner'.[28] It remains to allow the new Coordinating Committee (where it is planned to have an annual rotation of presidency, of meeting-place, and of secretariat services between the Forum and the SPC) to function, before we can evaluate the real intentions of one and all.

France and its Pacific Neighbours

As a result of its presence in the three territories of the South Pacific, France has to maintain neighbourly relations with other states. Three categories can be distinguished here: the metropolitan powers comparable to France, which are the United States and Great Britain; the regional powers such as Australia and New Zealand; and lastly the island micro-states.

The United States is bathed by the Pacific Ocean (11,000 km of shoreline) and has a predominant presence in the North Pacific, along with the USSR, China and Japan. The Pacific thus has a primary

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27 As well as the SPEC, these include the Forum Fisheries Agency (FFA), the South Pacific Applied Geosciences Commission, formerly called the Committee for the Coordination of Offshore Prospecting in the South Pacific (CCOP/SOPAC), the University of the South Pacific (USP), and the Pacific Islands Development Program (PIDP).

28 Statement of the Representative of France at the Guam Conference of October 1989.

strategic interest for the US: fifty per cent of its naval forces are deployed there and more than sixty per cent of its corps of marines. However, an American parliamentary delegation visiting Noumea in August 1989 declared that 'after a long period of indifference, indeed even negligence, the United States is starting to interest itself in the realities and in the particular rights of the South Pacific region'. In truth the United States has been able, up to now, to entrust Australia with the role of defending Western interests in the zone. But the growing interest in the region shown by the Soviet Union, and the development of less favourable feelings towards the West in some Pacific countries, have led it to revise its position.

Concerning the French presence specifically, this seems to be well perceived by the Americans. They have, moreover, brought Atlantic solidarity into play during votes on New Caledonia in the United Nations in 1986 and 1987, and have declined to condemn French nuclear testing, which itself has been viewed by several Pacific countries as a refusal to recognise the rights and aspirations of island states rather than a wish to support France.

Like France, the United States has not signed the protocols of the Rarotonga treaty, or SPFNZ (South Pacific Nuclear Free Zone), which came into force on 11 December 1986, although the Soviet Union and the People's Republic of China have signed the protocols.[29] In fact, the countries that are signatory to the protocols undertake not to fabricate, store or test nuclear arms and not to use them, or threaten their use, in that part of the world. Nevertheless, its attitude towards France sometimes causes the United States embarrassment, because support for France tends to create a rift with the micro-states and to tarnish US relations with New Zealand and even Australia.

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29 The Chinese government has made it known that its signature was directed less against France than against the USSR, which is too active, in China's view, in the region. Vanuatu, Papua New Guinea and the Solomon Islands, the 'Spearhead Group' states, were critical of the treaty since they felt that it does not go far enough towards denuclearisation. Vanuatu has neither signed nor ratified the treaty, although both Papua New Guinea and Solomon Islands eventually signed and ratified it.

In this context France, as the cause of these quarrels or frictions, is accused of reinforcing, by the effect of its presence, anti-American tendencies. It is starting to be viewed as an 'enemy' of the Western camp because of its behaviour, since some US allies or sympathisers are disappointed by US votes of solidarity and apparent complicity with France. In this light, we can understand the very favourable welcome given to the Matignon agreement on New Caledonia in June 1988 by the United States. France sees a necessity to vindicate (in the eyes of American politicians) the political, military, economic and cultural role of France in the region, to counter certain circles (intellectual and journalistic) that appear to have adopted a definitive position of hostility towards France.

The United Kingdom has granted independence to various territories that were subject to its sovereignty: Fiji and Tonga in 1970, Tuvalu (formerly the Ellice Islands) and the Solomon Islands in 1978, Kiribati (previously the Gilbert Islands) in 1979 and Vanuatu in 1980. Its only remaining presence is located, as already stated, on the tiny island of Pitcairn in the Southwest Pacific, which gives it the right to belong to the South Pacific Commission. Over and above this, we should not forget that the members of the Commonwealth, including in particular Australia and New Zealand, continue to have the Queen of England as Head of State, and that this link is not simply a matter of form, as was testified by the Fiji affair. This being the case, for Great Britain the presence of France in the 'Anglo-Saxon lake', in the heart of an English-speaking and protestant environment, may be seen as an irregularity that European solidarity, even diffidently expressed, forces it to tolerate.[30]

Accepted by the two metropolitan powers, France should perhaps concern itself more with its 'neighbours' since, in the geopolitical context of the South Pacific, relations with Australia and New Zealand assume an importance of the highest order.[31]

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30 The sum of British aid to Pacific countries is hardly a tenth of the total of French aid.

31 These two states have Consulate-Generals in Noumea, which also exercise jurisdiction over French Polynesia and Wallis and Futuna.

The reconciliation of Australian and French interests has often proved difficult and their relations have undergone periods of extreme tension, as for example at the time of the expulsion of the Australian Consul-General from New Caledonia on 10 January 1987. However, Australia is not fundamentally anti-French. Having said that, the French presence frustrates Australian wishes on two grounds, since Australia first intends to affirm its superiority in the zone and second wishes to maintain peace and stability there.

With its presence in New Caledonia, France represents a competing power less than 2,000 km from Australian territory, preventing Australia from being the sole 'policeman' of the region. The effects of this rivalry are felt even more because Australia has not fully succeeded in imposing its influence on the region as a whole, despite a fairly homogenous Britannic tradition. The basic concern of Australia seems to be not to confront the independent countries of the nearby zone, which brings it to support the positions taken in particular by Papua New Guinea and Vanuatu, which go against the interests of France. To this major preoccupation of not displeasing immediate neighbours is added Australia's anxiety about the appearance of areas of turbulence caused by issues raised by others, especially by France. Destabilisation is dreaded as much for the consequences it might have in Australia itself (resurgence of the Aboriginal question) as for the risk of seeing a new expansionist power (USSR, China, Japan or Indonesia) or a state with unclear intentions (Libya) appear in the region.

In the final analysis, Australia prefers the French presence to the possibility of the presence of one of these states, but at the same time reproaches France for maintaining the two principal issues of confrontation that destabilise the region: the New Caledonian question and nuclear testing. Australia thus accuses France of ignoring Australian interests and of providing the enemies of the Western camp, of which Australia wants to be seen as the qualified representative in the South Pacific, with arguments which threaten Australian security. This being the case, it orients its politics according to egocentric interests. A brief analysis of Australian positions regarding questions raised by the presence of France will illustrate that they are not free from ambiguity.

Australia has pronounced itself in favour of independence in New Caledonia, but has always wished that this independence, judged to be inevitable, should occur by peaceful means[32] (even if a rumour circulated in 1985 about the creation by Australia of a special military detachment of a thousand soldiers ready to intervene in New Caledonia). We find in this position the combination of the double concern raised earlier: not to displease the neighbouring Melanesian states,[33] already very radical about the subject, and to preserve peace in the area by eliminating all reasons for conflict. Thus Australia has greeted the Matignon agreements favourably to the extent that, as they are likely to lead to independence, they will also mark an end to violence. It continues to show its interest in New Caledonia.[34] The difficulty in the years to come will perhaps be to make Australia accept that the place of France is not available for occupation by Australia, that France intends to remain in one form or another, and that the cooperation of the two states would be more profitable to the region as a whole. On this point, it is necessary to recognise a well-known evolution of Australia's position which recognises that France will have a constructive and useful role to play in the region if it knows how to find solutions to the problems that concern Australia.[35] Such a

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32 See, for example, the opinion expressed in 1983 by the Minister for Foreign Affairs, Senator Evans, published in 'Australian Practice in International Law 1981 to 1983', *The Australian Year Book of International Law*, Vol.10, (Faculty of Law, Australian National University, Canberra, 1987), p.279.

33 We recall as an example the justifications given by Australia after the signature of a maritime boundary delimitation treaty with France in 1982. The Australian government at that time informed the governments of the South Pacific that this did not in the least alter its well-known policy regarding the future of the Pacific territories, and in particular New Caledonia, and recalled that several South Pacific states had themselves engaged in discussions or signed agreements with France. *Ibid.*, p.339.

34 See Parliament of the Commonwealth of Australia, Joint Committee on Foreign Affairs, Defence and Trade, *Report on a Visit to New Caledonia*, (Australian Government Publishing Service, Canberra, May 1989).

35 See Parliament of the Commonwealth of Australia, Joint Committee on Foreign Affairs, Defence and Trade, *Australia's*

recognition is obviously equally valuable to France, who should be fully conscious of the fact that Australia is incontestably a presence in the region and that the interests of the two states are identical in the long term.

The question of nuclear testing at Mururoa is the second-ranking cause of Franco-Australian dispute. Even though the Experimentation Centre is located more than 7,000 km from Australia, this latter country has not ceased to express its opposition to the tests, without attempting to take into consideration the fact that France belongs to the same camp or the seriousness of French studies on environmental protection. On this point, geographic solidarity has prevailed over 'Western' solidarity. Thus Australia finds itself subscribing to 'the comfortable angelic position to which the states of the South Pacific abandon themselves' on this subject, to quote the French Minister for Overseas Departments and Territories.

Australia is, however, called to account for its anti-nuclear position by those who criticise it for supplying uranium to France at the same time, and the explanations given by the authorities affirming that the uranium provided can only be used for peaceful, non-military purposes, as always in such cases, do not convince all the states of the region. The major criticism that they have is related to their fear that Australia might have on its territory nuclear reactors 'liable to be taken as targets by the Soviet Union', and that the fallout from a nuclear attack on Australia would exterminate the island populations of the Pacific.[36]

All things considered, the protestations of Australia about nuclear testing do not prevent the development of growing bilateral relations with France and without doubt are not so sensitive as those that concern New Caledonia. This is perhaps due to the fact that they have not received the endorsement of the United States and that the security of Australia depends primarily on this latter power.

France's second 'neighbour' state in the Pacific is New Zealand. Relations between the two states were, as is known, highly compromised by the *Rainbow Warrior* affair in 1985, linked to the anti-

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Relations with the South Pacific, p.182.

36 Interview with the Prime Minister of Vanuatu, Walter Lini, *The ACP Courier*,EEC No.76, November-December 1982.

nuclear position of New Zealand. Belonging to the Polynesian group, New Zealand seems to keep a more attentive eye on French Polynesia, where the nuclear tests take place, than on New Caledonia, although it is closer. It is true that the strong Maori minority (10% of the population) forces the New Zealanders to be more reticent, and that their influence in the region is hardly reinforced by an economy in difficulty. The intransigence of New Zealand on anti-nuclear issues has nevertheless led it to put into question the ANZUS treaty, of which the aim is to maintain peace in the Pacific, by prohibiting port access to American ships which may be carrying missiles (the *Buchanan* episode).

This attitude has also inspired New Zealand in its pressures regarding the signature of the Rarotonga treaty, offering in this way an opportunity for the penetration of the Soviet Union into the region. The attitude is all the more surprising since, in the case of a major conflict, the United States could not remain indifferent to the protection of New Zealand and Australia would inevitably support its near neighbour.

We thus have the impression that in this area New Zealand is following a very questionable policy that it does not have the means to enforce. In fact, its weakness makes the country dependent on economic pressure from the states that it wishes to oppose. At the time of writing, some would argue, we even have to go so far as to ask ourselves about the country's survival as an independent entity, especially in view of the relative absence of national identity and the risks of economic decline. For the moment, relations with France remain lukewarm, contrary to those that exist with Australia.[37] It is for this reason that, as of late 1990, the French Prime Minister had not yet made a visit there; but the normalisation of relations, even if it can never be complete, should be pursued by France in the near future. The recent declaration of Mr Lange, former Prime Minister, affirming his desire to 'turn the page' and allowing that the presence of France could be 'welcome and useful', marks an important reversal of feeling.

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37 The government representative, High Commissioner of the French Republic in New Caledonia, made an official visit to the two states during the last quarter of 1989.

Finally, the island micro-states of the South Pacific represent a third group of states particularly concerned about the presence of France. We will not undertake a detailed description of France's relations with each of these Polynesian, Micronesian, or Melanesian states. France comes into contact with them regularly within the South Pacific Commission, and maintains diplomatic relations with them through its embassies established at Suva (Fiji), Port Moresby (Papua New Guinea) and Port Vila (Vanuatu).[38] In addition, 1986 saw the creation of the South Pacific Council. At present this council is directed by the Permanent Secretary for the South Pacific, Ambassador Philippe Baude, who was appointed by order of the President of the Republic on 6 December 1988. Earlier, in April 1986, the Chirac Government entrusted the post of Secretary of State for South Pacific Affairs to Mr Flosse, who was at the time also President of the Government of the Territory of French Polynesia. The presence of France in the region is thus not limited to activities within its sovereign territories.

As regards Vanuatu, which France jointly administered until 1980, and which is New Caledonia's closest neighbour, several observations can be made. Vanuatu has often expressed its hostility to the French presence. The marks of a difficult decolonisation, in 1980, the 'invasion' of Hunter islet in 1983,[39] the repeated expulsions of French ambassadors in 1981 and 1987,[40] all stand out as landmarks in

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38 In Vanuatu, French representation is presently at the level of a chargé d'affaires after more than two years of suspension.

39 The French case is that Hunter Island has been part of the territory of New Caledonia since the decision, which also included Matthew Island, of a Franco-English tribunal convened in 1965. However, since it became independent Vanuatu has reclaimed these two islets, and a commando even went there to raise the national flag in March 1983. A plaque fixed on these islands recalls today that they are places of French sovereignty and a permanent military presence has been established there ever since.

40 In February 1981 the Ambassador was requested to leave Vanuatu after an incident involving New Caledonia, and in October 1987 he was accused of providing financial assistance to a francophone opposition party.

the short history of relations between the two states and are also some of the issues affecting internal politics, insofar as the opposition tends to be more francophile. Vanuatu, which even in the words of its own Prime Minister, Mr Lini, is considered 'as a curious state, appearing to be something of a freak', is in fact the only state of the zone to have subscribed to the non-aligned movement, where it came into contact with Cuba and Libya. It also signed a fishing agreement with the Soviet Union in 1987 which lasted one year and which has not been renewed. The difficulties with France result from the fact that Vanuatu has acted as the most radical international spokesman for Kanak independence, not only during meetings of non-aligned countries, which is of minor harm, but also within the Pacific Forum and the Spearhead Group, and in the United Nations.[41] In addition, Vanuatu has adopted an immovable political position with regard to nuclear tests and, declaring itself a denuclearised country, found the Rarotonga treaty, which it refused to sign, too 'soft'. Its foreign policies regarding these positions have been qualified as idiosyncratic by the Australians themselves.

The Matignon agreements, welcomed with satisfaction by the states of the zone, have put an end to the main issue which Vanuatu highlighted on the international scene, to the point where it is attempting to put them in doubt by playing on the ten-year time period planned as a lead-up to the referendum on self-determination. Mr Lini has in fact wished 'to see independence at the earliest moment possible'. Although this position follows the logic of anti-colonial and Third-World activism, Vanuatu has also shown a return to realism by seeking to establish good-neighbourly relations with France.[42] France is particularly well placed to help Vanuatu, whose future is linked by geographic proximity and cultural connections to that of New Caledonia. It should not be forgotten that Vanuatu is also the only state of the zone where French is an official language. Verbal excesses, and anti-French attitudes which do not always reflect public opinion, cannot take precedence over the interest that France has in promoting

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41 J.-M. Tjibaou was part of the Vanuatu delegation at the UN General Assembly.

42 Recently, Mr Lini declared that 'We wish to obtain more financial and technical assistance from France'. *Les Nouvelles Calédoniennes*, 17 March 1990.

a policy of co-responsibility with all the states of the region, among whose ranks Vanuatu has been able to take an original if discordant place.

Finally, among the other island states, Fiji, the second most important after Papua New Guinea by virtue of its population and resources, represents another example of the relations maintained by France with the independent countries of the zone. Belonging to the Anglo-Saxon group, close to Australia and New Zealand, Fiji aroused the hostility of these regional powers after the two *coups d'état* in May and September 1987. The proclamation of the republic in October 1987 cut its constitutional ties with Great Britain and led to its exclusion from the Commonwealth.

For France, events in Fiji have offered advantages in several ways. The former Bavadra Government was anti-nuclear and anti-French. Accordingly, from our point of view, its replacement by General Rabuka's administration would not be harmful to our positions. This was all the more so because the *coups d'état* led Australia to suspend all its military aid and to impose economic sanctions before realising its powerlessness to influence the new military regime, and undertaking an 'empirical' re-evaluation of its policies. The Fijian government sought new partners, among whom France occupies a choice position, as is indicated by the doubling of French aid between 1985 and 1988. Cooperation between the two countries was reaffirmed with the visit of Prime Minister Rocard to Suva in June 1989.

Apart from this rearrangement of the position of France in the region, the events in Fiji have also aroused interest regarding the New Caledonian question. Both New Caledonia and Fiji are populated by two communities of approximately equal numerical importance, one among which claims the primacy of first occupant and focuses first and foremost on the problem of land rights, while the other supplies the largest proportion of skilled workers in all sectors of activity. Although we must refrain from comparing too closely the Indian community of Fiji with the Caldoche/European community of New Caledonia, we understand that this latter community has some concern about plans that tend to exclude the 'non-indigenous' community from decisions relative to Fiji's future. Developments in Fiji cannot, therefore, leave the French political authorities indifferent,

since the coups have comforted both France in the region and the independence movement in New Caledonia.

Conclusion

In conclusion, we have to remain circumspect on the question of whether the Pacific is destined to be 'the centre of the world' and to become the focus of the major confrontations linked to the key issues of the third millenium. In any case, France must ensure its future there. It will do this, not so much by defending, against the laws of political evolution, an area of sovereignty that was established in the last century, but by modifying its own public image. It has too often up to now aroused a 'holy union' against her,[43] starting from the two problems already discussed: the New Caledonian question and nuclear testing. They have fuelled mistrust, criticism and unfriendly behaviour towards France. The first, considered to be the most important, will be resolved by universal suffrage. The second has started to be addressed by the commitment France has demonstrated to environmental protection and by the decision to reduce the number of tests per year to six.

As regards the grievance against France for illegitimately occupying island territories, this should also concern the United States, Great Britain, New Zealand and Australia, and it is not clear why France should be the only one to have to justify itself. Meanwhile, its permanent contribution to the establishment of a system based on democratic values, its active participation in reinforcing security in the region, and its unstinting support for economic, social and cultural development have shown that France is a power in the Pacific. To remain so, with everyone's agreement, it will have to express a clear and firm political resolve to stay.

The definition of objectives that go beyond the rivalries of the French administrations that are responsible for the Pacific (Foreign Affairs, and Overseas Departments and Territories) is certainly among

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43 F. Godement, 'La France et le Pacifique Sud', *Revue Politique Etrangère*, (No.1), 1987.

the conditions necessary for that resolve.[44] A firm approach should lead to the establishment of a policy of long-term presence independent of the changes that affect metropolitan political life, involving commitments from France based on mutually advantageous cooperative agreements. In this way the irreversible idea of the 'need for France' can be built in this part of the southern hemisphere.

44 See P. Cousseran's remarks in *L'Année Internationale 1990*, (Hachette-Classiques, Paris, 1990), p.562.

CONCLUSION

Stephen Henningham

Compared with most of the other regions of the world, the South Pacific has been and is likely to remain relatively peaceful. Compared with many other Third World countries, most of the states and entities of the South Pacific have reasonable living standards, functioning democratic institutions, and adequate governments and administrations.

But conflicts within the region are likely to increase, because of bleak economic prospects, demographic pressure and environmental degradation, ethnic divisions and separatist tendencies, and the difficulties of adapting traditional societies and values to the modern world. The main focus of these conflicts will be domestic, but some of them will have external implications.

The new assertiveness of the island countries is likely to continue. These countries are also likely, in pursuit of greater self-reliance and increased freedom of manoeuvre, to seek to expand their range of diplomatic and economic relations. Over the longer term, external powers without previous associations with the region are likely to continue to develop their connections with the island countries even if their level of interest will ebb and flow because of other preoccupations.

The South Pacific will also be increasingly affected by the rapid and diverse changes which are under way in the broader Asia/Pacific region. These changes include the growing economic strength of Northeast Asia, the new economic dynamism of several Southeast Asian countries, and the growing military strength and reach of the Asia/Pacific countries.

Meanwhile, because of budget reductions and in response to superpower détente, some reduction in United States strength in the wider Asia/Pacific region is likely. In addition, an eventual United States withdrawal from its Philippines bases is in prospect. This probably would result in the redeployment of some United States units and facilities into American Micronesia, although these deployments would be on a much smaller scale than those in the Philippines. And it seems to be only a matter of time before Japan's economic strength is

more directly reflected in military power. These various changes are likely to have ripple effects into the South Pacific.

The South Pacific countries will continue to pursue common goals through regional cooperation, particularly through the South Pacific Forum. But consensus on some issues will probably prove more difficult to achieve. Meanwhile individual countries, and sub-groups of countries, will be less reticent about pursuing their own interests by whatever means they deem appropriate. Hence, relations within the region and between the regional countries and the wider world can be expected to become more complex and at times more difficult.

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Topics discussed include trends and prospects in the broader Asia/Pacific security environment; the South Pacific security and defence environment; economic characteristics and prospects of the South Pacific island states (with particular reference to the role of regional cooperation); foreign and defence policies of the South Pacific islands states; the part played by Australia and New Zealand in the region; aims and activities of external powers; and the issues associated with the French presence.