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96th Congress
2d Session

COMMITTEE PRINT

SOUTH PACIFIC REGIONAL OVERVIEW

AND

SOLOMON ISLANDS INDEPENDENCE CEREMONIES

A

TRIP REPORT

BY

SENATOR JOHN GLENN

TO THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

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DECEMBER 1978

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LETTER OF TRANSMITTAL

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: At the request of President Carter, I was privileged to lead the U.S. Delegation to the Solomon Islands Independence Ceremonies on July 7, 1978. This visit afforded me an opportunity to examine U.S. policies in the South Pacific and to visit, in addition to the Solomon Islands, Papua New Guinea, and Fiji, and to meet with many political leaders from other nations attending the Solomon Islands ceremony.

Although my visit to the Solomons was on a Presidential mission, I undertook the trip to accomplish two other objectives pursuant to my responsibilities as the chairman of the Subcommittee on East Asian and Pacific Matters: to investigate U.S. policy toward the evolution of South Pacific regional development, and to examine bilateral relations with the newly emerging nations of the region. As you know, I have also long been personally interested in developments in the South Pacific and believe that our nation has somewhat ignored this region since the days of World War II.

I want to express particular appreciation for the excellent cooperation and assistance provided me and the Presidential Delegates by the Department of State, and in particular, the U.S. Embassy in Papua New Guinea whose small staff worked diligently to assist our mission in both Papua New Guinea and the Solomons.

I have detailed fully my findings in the body of the report. Attached in the appendix are a number of documents relevant to the policy issues raised in this report.

On this mission, I was accompanied by Assistant Secretary of State for East Asian and Pacific Affairs, the Hon. Richard Holbrooke and President Carter's personal representatives:

Mr. David J. Abrams of Miami, Fla.;
Mr. Thomas H. Boggs, Jr. of Washington, D.C.;
Dr. Wallace N. Hyde of Asheville, N.C.;
Mr. Ronnie Lopez of Phoenix, Ariz.;
Mr. John P. McCormally of Burlington, Iowa; and
Rev. I. Dequincey Newman of Columbia, S.C.

In addition, Ambassador Mary S. Olmsted, Papua New Guinea; and Maj. Gen. John K. Davis, USMC, Okinawa, were members of the delegation.

I should like to thank the Department of the Air Force for its excellent assistance in transportation, the Office of the Chief of Protocol for the many small details which are essential for the successful conclusion of such a trip, and finally, my fellow Delegates who were industrious, dedicated, and effective representatives of the United States. From the Senate, I should like to acknowledge the assistance of Norvill Jones and Roy Werner, professional staff members of the Committee on Foreign Relations. Their assistance during the trip and in the preparation of this report has been invaluable.

Sincerely yours,

JOHN GLENN.

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Port Moresby
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New Caledonia (Fr.)
Tuvalu (U.K.)
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(U.K. admin., U.S. claim)
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Tutuila
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Cook Islands (New Zealand)
ILES MARQUISES
ILES TUAMOTU
ILES DE LA SOCIETE
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Tahiti
ILES TUBUAI
French Polynesia
Mururoa
Iles Gambier
Pitcairn Islands (U.K.)
Rapa
New Zealand
North Island
Wellington
South Island
Invercargill
Line of separation (not a formal international boundary or territorial limit)
0 500 1000 Nautical Miles
0 500 1000 Statute Miles
Boundary representation is not necessarily authoritative

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RECOMMENDATIONS

I. U.S. Presence in the South Pacific

The United States should increase its diplomatic presence in the region. Recent actions by the Department of State establishing an Office of Pacific Islands Affairs, upgrading the U.S. representation at South Pacific Commission meetings, and posting a resident Ambassador in Fiji are commendable. Other possible actions include: posting a State Department Political Advisor to the Governor of American Samoa (who could also be accredited to Western Samoa and Tonga); more frequent visits by U.S. officials and port calls by vessels of the U.S. Navy; and reopening a Consular Post in French Polynesia to relieve the visa overload at the U.S. Embassy in Fiji.

II. Exchange Programs

Because our experiences are so different and the Pacific so vast, there should be an active exchange program with nations of the South Pacific. Leadership grants, scholarships and the resources of the East-West Center in Hawaii are appropriate vehicles to further enhance our mutual knowledge. Placement assistance for islanders in U.S. schools would be a valuable contribution.

III. Solomon Islands

Since only Peace Corps volunteers are resident in the Solomons, the non-resident U.S. Ambassador should periodically consult with the officials of the Solomon Islands on matters of mutual interest. Further, the Agency for International Development and the Peace Corps should evaluate with the Solomon Islands Government whether U.S. assistance is desirable in helping to meet their goal of reducing population growth to 2 percent from the current level of 3.4 percent (National Development Plan objective).

IV. Papua New Guinea

The Agency for International Development (AID) should consult with the Government of Papua New Guinea to determine how AID might assist in developing a program to address protein deficiencies in the diet of highland peoples. Such a program might include fish farms which are operational elsewhere in Asia.

V. U.S. Territories

With the forthcoming change in status by the Trust Territory of Micronesia and the presence of U.S. territories such as Guam and American Samoa, the Department of State should explore opportu-

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nities for such governments to more actively participate in regional affairs and conferences.

VI. Bureau of East Asian and Pacific Affairs, Department of State

The Bureau of East Asian and Pacific Affairs should continue to monitor marine resource developments and civil air transportation policies in the region. These two areas are of critical importance to the evolution of the South Pacific and must not be left to the oversight of narrow technical bureaus and agencies.

VII. Management

The high annual rental costs for the relatively small Ambassador's residence in Port Moresby, Papua New Guinea, ($21,678 per annum) dictate the need to acquire land and build a government-owned residence. Such a residence will be more cost-effective over a 20- or 30-year period.

This recommendation follows the general recommendations of a recent GAO study, "The Department of State Has Continuing Problems In Managing Real Estate Overseas", and an investigation conducted of another Embassy by GAO at my request.

VIII. Private Voluntary Organizations

The impressive achievements of private voluntary organizations, such as the Foundation for the Peoples of the South Pacific, Inc., and the Summer Institute of Linguistics, deserve public recognition and merit continued governmental support.

IX. U.S. Tourism

Tourism should be promoted by the U.S. Government on a regional basis emphasizing connections with American territories while coordinating with other island states to maximize benefits with a minimum of social disruption.

X. Regional Development Fund

Despite the uniqueness of the South Pacific, I do not believe that a Regional Development Fund as a new institution should be established at this time. Obviously, economic development in the region must emphasize extra-regional trade. This and internal development can best be accomplished, I believe, through the Asian Development Bank (ADB). Certainly, the problems cited by the South Pacific Commission (SPC) representatives during the meeting in Nauru on March 21-22, 1978, in paragraph c(2) of the "Composite Resolution" should be addressed by both ADB and SPC representatives. I do, however, want to note with approval the directive recently given to the U.S. Representative to the ADB to place a higher priority on projects in the South Pacific. The ADB should also undertake an agricultural survey of the South Pacific to better determine development priorities.

XI. The Importance of Island States

Each of the five island states that are members of the United Nations General Assembly (Fiji, Papua New Guinea, The Solomon Islands, Tonga, and Western Samoa), has a vote equal to the United States. Thus, cooperative relations with South Pacific states can help to support American policies in a global context. However, our policies must avoid interjecting these states into the arena of superpower competition. Finally, it should be noted that the natural resource wealth of these states will make them increasingly significant in the years ahead.

Chapter 1

SOUTH PACIFIC REGIONAL OVERVIEW

Introduction

To many American citizens, the South Pacific islands beyond Hawaii are but idyllic images: Swaying palms, tropical lagoons, and an unhurried lifestyle. The region has been relatively ignored since the end of World War II, but it is now emerging into a new and important role in the world. Moreover, the residue of goodwill toward the United States established three decades ago remains and provides an opportunity to build effective bilateral relations. The United States, therefore, should not allow the region to languish in tropical neglect, but actively seek to promote economic development and regional harmony.

With the Solomon Islands' independence, the region (stretching from Papua New Guinea in the west to Easter Island in the east, and north to the U.S. Trust Territory) has mostly achieved independence or self-governing status. This is a noticeable change from the preceding decade when these island states were ruled by either distant ANZUS or NATO allies.

South Pacific regional cooperation is impressive. The machinery of regional cooperation, although still evolving, is perhaps the most successful example of regionalism in the world. Beginning with the South Pacific Commission in 1947, these states have moved to emplace several effective organizations: The South Pacific Forum (island states only); the South Pacific Bureau for Economic Cooperation (the secretariat for the Forum); and various region-wide economic associations. These institutions provide a means of raising questions which affect all states such as the United Nations Development Program or the actions of those states still maintaining colonies in the region. However, the prospect of national economic competition in airlines and shipping does pose problems which are unresolved and which could fracture the present commendable level of regional cooperation.

Economic Development

Economic development is the principal issue in Pacific island affairs. Yet, the style and pace of life are not synonymous with "economic growth." Rather, the thrust of development must be the improvement of living conditions, given the islands' cultural patterns and limited natural resources.

Fluctuations in commodity prices continue to plague development plans. Further, the higher costs of shipping means that domestic prices are inflated while foreign exchange earnings are eroded because imported goods are bought at world prices plus freight charges and export earnings equal world prices minus freight charges. This trade instability is linked to patterns reflecting previous colonial ties. The

only newcomer to regional trade is Japan, which buys roughly 25 percent of commodity exports and sells 15 percent of regional imports.

Economic growth development requires large capital flows and the major constraint is often inadequate domestic savings. Thus, developing countries turn to foreign aid and investment to acquire the capital necessary for large infrastructure projects such as roads or water supply systems. Equally important is the creation of rural employment opportunities and the island states are clearly attempting to create the conditions necessary to foster such employment. Because aid from the United States or other developed countries can erode self-respect and create a dependence upon foreign capital, careful attention must be paid to the social costs of aid projects.

The United States is helping in the economic development of these new nations. Current projects exceed $2 million and a regional development officer from AID has been assigned to the U.S. Embassy, Fiji, to work with the island states. Present programs emphasize the role of private and voluntary agencies such as the Foundation for the Peoples of the South Pacific, assistance to the regional institutions, tackling area-wide problems, and the accelerated support of small scale (under $10,000), self-help projects in rural development in cooperation with the Peace Corps. I believe this slightly increased, better focused, aid program is desirable. The United States, by concentrating on a relatively few selected areas, can help without usurping their traditional reliance upon Australia and New Zealand in meeting their development needs.

Self-reliance is, of course, the key to true independence. These states have moved to diversify their economic and agricultural bases, to improve economic planning and to cope with the problems of rural development. Of course, because of time lag problems, migration from rural villages to urban centers is continuing and is a major social problem. Equally obvious is the continuation of economic ties to former colonial powers. However, the continuing high numbers of expatriates in professional and managerial positions requires a strong "localization" program. Such programs must be balanced against the need to retain qualified expatriates while local citizens are acquiring training and knowledge. One impressive feature of the three states visited is their successful operation of such programs. In this sense, the University of the South Pacific on Fiji and the University of Papua New Guinea represent a route to provide the necessary training and skills for entry later into senior positions and reduction of dependence upon foreign personnel.

Ultimately, these island states must achieve greater degrees of economic cooperation to become a viable force in the international market. Harmonized tax, investment, and tourist policies offer a ready opportunity. Better coordination of shipping and transportation services is mandatory, especially if an intra-regional trade is to be developed. Agreement on specialization to achieve economy of scale accompanied by some formula that distributes net benefits more equally to all states is desirable. These island states are surrounded by the world's largest and richest ocean, have reliable aid donors who are anxious to help them achieve economic development goals, and possess the inherent human resources to succeed. There is no alternative to small scale development and economic integration with neighboring island states.

Marine Resources

The principal international issue facing these island states is the protection of oceanic resources. The vast stretches of the Pacific, its under-exploited fishing areas, and deepwater minerals combine to create serious problems in patrolling the new 200-mile economic zones. Given the quite limited surveillance assets, joint activities such as satellite observations and shared patrolling missions will ultimately be required if complaints of trespassing are to be significantly reduced. Obviously, some combination of air and maritime surveillance will be necessary. Here, perhaps, is yet another role for regional cooperation.

Regional fisheries and marine resources

The 10-member South Pacific Forum (SPF) includes more than 6 million square miles of ocean that are extraordinarily rich in fish and other marine resources. Estimated annual fish catch is 462,000 metric tons, mostly tuna, but island nations account for only 10 percent. Japan (60 percent), Taiwan, R.O.K. and U.S.S.R. are the principal outside forces.

The United States interest reflects our potential involvement in these fishing grounds as eastern Pacific stocks are depleted. The United States consumes more than half of the world tuna production. In April 1978, John Negroponte, Deputy Assistant Secretary of State (Oceans) told the Commerce Committee that: "Without doubt, the South Pacific region holds the greatest potential for the development of fisheries resources."

Private comments by South Pacific Commission members (SPF plus non-regional states) reveal a perception that control of fisheries resources is the only tool for island micro-states to control their economic destiny. Thus, states in the region consider these questions to be their principal foreign policy issues. Manganese nodule deposits are found in the South Pacific, especially near the Cook Islands, Society Islands, and the Tuamotu Archipelago. With Micronesia's 1.5 million square miles of ocean and the SPF's 6 million square miles, the resources ultimately recoverable within such a zone may surpass any equivalent dry land area.

Establishment of a South Pacific Regional Fisheries Agency

In Suva, June 5–10, 1978, the United States, United Kingdom, Chile, France, and the members of the South Pacific Forum negotiated a draft convention for the South Pacific Regional Fisheries Agency (see appendix 3).

All participants in the negotiation agreed to submit the draft to governments for consideration.

BACKGROUND

By the Declaration on Law of the Sea and a Regional Fisheries Agency issued at Port Moresby in August 1977 (the Port Moresby Declaration), the members of the South Pacific Forum (Papua New Guinea, Tuvalu, Tonga, New Zealand, Niue, Australia, Cook Islands, Solomon Islands, Fiji, Western Samoa, The Gilbert Islands, Nauru) agreed to declare 200-mile resource zones (including jurisdiction over all highly migratory species) and to establish a South Pacific Regional Fisheries Agency to which coastal states of the region would be parties.

Despite language in the Port Moresby Declaration which could be interpreted to exclude from the Agency any State not recognizing coastal state jurisdiction over all highly migratory species, the United States was invited to participate in the negotiations. Chile, France, and the United Kingdom, as metropolitan powers with dependencies in the region, were also invited to participate. Japan was invited to observe. During the course of the meeting, the United States supported the Marshalls and the Congress of Micronesia being admitted as observer. The issue of greatest importance in the June negotiation was the conflict concerning coastal state jurisdiction over highly migratory species, including tuna. While the regional approach to management of tuna and other highly migratory species was widely supported, all participants but the United States asserted coastal state sovereign rights over all such species.

VOTING

Voting was a highly contentious issue. France insisted upon voting representation for its territories on a broad range of issues, though such territories would make no financial contributions and could not deal with fundamental jurisdictional issues. France also advocated a two-thirds voting system. Other participants in the negotiation felt that if French territories voted, even with a two-thirds voting system, France would have too great an advantage. However, in principle, those other participants supported the fullest possible role for dependent territories in the region.

By way of compromise, France obtained the vote for its territories, but the decisionmaking formula selected was consensus, a method already employed by the South Pacific Forum. The United States simply noted that although Palau, the Marshalls and the Congress of Micronesia could legally sign the Convention and vote as full participants. Guam, the Northern Mariannas and American Samoa had a different legal status and were unlikely to be granted the right to vote by the United States.

MARINE MAMMALS

Marine mammal protection was raised by the United States. We noted that in the South Pacific the tuna-porpoise relationship appeared to be different from that experienced elsewhere and that there was likely to be only a minor problem. However, we wished to address the issue in the Convention. In the end, agreement was reached on a provision within the Convention.

AGENCY OBJECTIVES

It is envisaged that, subject to the direction of the Conference, the Agency will:

Study and collect information on the living resources of the South Pacific, with particular reference to highly migratory species;

Prepare proposals for consideration by the Conference on regional cooperation for the effective conservation and utilization of living resources of the area;

Facilitate, without detriment to the sovereign right of coastal countries, a regional approach to management and licensing;

Facilitate a cooperative approach to surveillance and enforcement; and

Collect technical fisheries information.

That the Agency will also assist members, on request, with matters relating to their fisheries policies, and with the issue of licenses, collection of fees and matters pertaining to surveillance and enforcement.

The decision made by the South Pacific Forum to reject the draft convention of the South Pacific Regional Fisheries Agency in its September meeting in Niue was disappointing. A regional organization which includes the United States remains, I believe, the most effective way to manage, conserve, and exploit the marine resources of the South Pacific. When the Forum states meet to reconsider the question of membership at a later date (as was agreed in Niue), I hope that an acceptable solution may be found.

Regional Affairs: Soviet and Chinese Actions

The interest of the U.S.S.R. and China in the South Pacific region must be viewed in the context of their global roles and the historic development of their relationships with Pacific states. A low level Soviet interest in the region has existed for many years because of her maritime activities. Since the 1970's, both fishing and shipping actions have been expanded, witness the agreement with New Zealand and the calling of Soviet cruise ships at various ports. The Soviet Union has recognized all five independent island states in the area (Fiji, Tonga, Nauru, Western Samoa, and Papua New Guinea), but has no permanent mission anywhere in the region. Rather, like ourselves, Soviet diplomats elsewhere (Australia and New Zealand) are accredited to these nations and make periodic visits. The Chinese interest in the region dates from 1972 and lacks the Soviet maritime capability. The Chinese have established diplomatic missions in Fiji and Western Samoa, but have not recognized Tonga and Nauru because these latter two states continue to recognize the Republic of China on Taiwan.

It is likely that the Soviet Pacific remains low on the priorities of both countries with the exception of the Soviet fishing interest. However, ideology and its sense of rivalry with China probably do play some indeterminant part in the desire of both countries to demonstrate their role. Certainly, the introduction of 200-mile economic zones has further intensified Soviet interests in fishery prospects in the region.

The Southwest Pacific continues to be an area of little strategic interest and no naval combatants regularly operate there. However, Soviet intelligence ships do monitor French nuclear tests and visit the port at Suva. The area would become important in a strategic sense only if there were a denial of passage through the Malaccan and Indonesian Straits, or a perceived necessity to counter some future adverse expansion. The only major Chinese activity is one of political and diplomatic importance, apparently designed to pre-empt Soviet and Taiwanese moves. In this sense, China probably believes that the South Pacific should be a region of political stability from which the Soviet Union should be excluded to the maximum extent possible.

The island governments, however, have been extremely cautious in accepting Soviet missions due to their lack of familiarity with foreign affairs, and their essentially conservative attitude toward Communist ideology. In the case of Fiji, this is reflected in part by the fears that the

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Fijian trade union movement could be subject to Soviet influence if diplomatic relations were not confined to a strict state-to-state basis. The P.N.G. Government, while continuing to resist the establishment of a Soviet embassy, has also expressed a preference that the Soviet ambassador in Jakarta should be accredited to Port Moresby.

Regional Aid Programs

Regional organizations and area-wide programmatic support from the Agency for International Development include the activities indicated below:

South Pacific Commission.—AID is funding $450,000 of a $2 million 3-year (fiscal year 1977–79) multidonor survey of the migratory and feeding habits of the skipjack tuna.

South Pacific Bureau for Economic Cooperation.—Although no projects exist, the presence of an AID staffer in Suva (Fiji) is expected to generate recommendations (especially fisheries projects) and identify possible joint projects.

University of the South Pacific (Western Samoa).—A proposed collaborative arrangement with the University of Hawaii School of Tropical Agriculture.

Educational Exchange.—AID will be spending $10,000 to underwrite placement costs of undergraduate students from Western Samoa. Other donors will provide scholarships, room and board.

ATS–6 Satellite Proposal.—Under study, a NASA/AID letter has been submitted to the University of the South Pacific.

U.S. representation in the South Pacific

In recent years, the Senate Foreign Relations Committee has quite properly blocked the accreditation of an American Ambassador to countries which do not accredit an Ambassador to the United States. However, if this practice continues, it will have an adverse effect on our relations with the small, developing countries of the South Pacific and on our efforts to contribute to the continued stability and development of these democratic island states. A satisfactory solution to this problem might be to follow the precedent established in the mutual accreditation of non-resident Ambassadors between the Solomon Islands and the United States.

Obviously, these states wish to maintain diplomatic relations, but are constrained by budget and personnel factors. Diplomatic representation is a costly affair, especially when weighed against the priorities of domestic development. Fiji, the first island state to establish a separate Department of Foreign Affairs, had the advantage of trained personnel and an easier budgetary situation. Finally, these nations emphasize regional matters. Regional organizations are thus the principal focus of their diplomatic efforts. Therefore, it is unrealistic to expect that they will open missions in the United States. We should not, however, incorrectly conclude that the island states are not desirous of maintaining cordial relations with the United States.

It should be noted that the failure of the small South Pacific island countries to accredit an Ambassador to the United States is not an indication of any lack of interest in friendly bilateral relations. In most cases, these countries are too small and may have budgeting problems with even the occasional visits that a non-resident Ambassador would have to make. Moreover, they take the position that accrediting an Ambassador to the United States would mean they would have to do likewise in other countries, with a resulting drain on their meager budgets. Thus, although they are keenly interested in close ties with the United States and other countries, they feel that their limited financial resources as well as their lack of experienced diplomatic personnel prohibit their appointment of Ambassadors abroad.

The Solomon Islands



Prepared for British Information Services by the Central Office of Information, London
FS/8. Classification 7(e). Revised December 1976

Chapter 2

THE SOLOMON ISLANDS

Introduction

The Solomon Islands, a scattered archipelago, is one of the largest island groupings in the Pacific. Ten main clusters of islands exist and are all inhabited except for a few barren atolls. They extend chain-like for some 900 miles in the southwest Pacific with a total land mass of 11,500 square miles, comparable in size to the State of Maryland. The only Pacific country larger in land mass is Papua New Guinea with about 183,500 square miles; the countries following in size are Fiji and New Caledonia, both which have just over 7,000 square miles of total land mass.

The five major islands of the Solomons, represented in their flag, share the same general topography: A range of mountains runs down the center, one side dropping steeply into the sea and the other side reaching the coast through a series of foothills and a coastal plain. Most other aspects of the Solomon Islands are extremely diverse. For example, the population is comprised of Melanesians (93 percent), Polynesians (4 percent), and Micronesians (1 percent), as well as some Chinese (.4 percent) and expatriates (.8 percent). While Pidgin English is the *lingua franca* and Standard English is the official language, 87 languages are spoken.

With an annual growth rate of 3.4 percent, the population reached 196,708 in 1976. The overall population density is sparse with only 18 persons per square mile. A comparable density is found in Papua New Guinea, but all other countries have extremely higher densities ranging from Fiji with more than 75 persons per square mile to Tonga with more than 320 persons per square mile.

The capital city, Honiara (1976 population, 14,993), on Guadacanal Island is the only defined urban area. The next highest population centers are Gizo (1,586), Auki (709) and Kira Kira (561). Nine out of ten Solomon Islanders live in rural areas which are relatively spacious, slow-moving, and less dependent on cash incomes.

The chief characteristics of traditional Melanesian social structure remain important: the practice of a subsistence economy; the recognition of kinship bonds with important obligations extending beyond the immediate family group; generally egalitarian relationships; and a strong attachment of the people to the land. Most Solomon Islanders are still part of this traditional social structure and find their roots in village life.

History

Archaeological research has revealed that the Solomon Islands have been occupied by man for at least 3,000 years. Anthropologists hypothesize that the original inhabitants made the sea journey from the West in the gradual migration from New Guinea and parts of the Pacific. Almost from the beginning, the people settled into an agricultural economy, living in small villages and keeping to themselves and treating strangers as enemies. In 1567, a Spanish explorer from Peru was the first European to discover the Solomons. Rumors spread soon after Mendana's return to Peru that he might have discovered great wealth, perhaps the source of riches of King Solomon—hence, the name Solomon Islands.

Aside from occasional missionary and whaler visits, the Solomons were left undisturbed until 1870. In that year, the first labor recruiters for plantations in Fiji and Queensland began a process that would continue until 1911 and involve 29,000 islanders. Abuses committed by the labor recruiters frequently led to the murder of innocent people which prompted Great Britain to declare it a protectorate in 1893. The British administration was unable to control the traditional warfare of the natives even after World War I. The Solomons were not a major British holding and consequently received little attention or assistance until 1942.

With the exception of the missionaries, most of the Europeans left the Solomons soon after the invasion of Rabaul. The Japanese actually maintained full control of the Solomons for only a few months, from May 1942 (Battle of the Coral Sea) until December 1943, during which the Solomons were almost constantly a scene of combat. The islanders were surprised to see that Europeans could and would fight, and in large numbers, brave Solomon Islanders destroyed Japanese outposts, informed allies of enemy troop movements, and protected the crucial coast watchers.The bonds forged in blood at Guadalcanal and Henderson Field between the United States and Solomon Islanders endure. During the Independence Ceremonies it was evident that these ties are remembered.

A quasi-national movement with an anti-European (but not anti-American) base came to life after the war. Known as the "Marching Rule," its passive resistance tactics were met with stiff British opposition, ending in the arrest of perhaps 2,000 people. Other indigenous movements developed but until the 1960's, only gradual changes in the system of government occurred. Progressively through the 1960's, the islanders gained a greater voice in the government. An advisory council was superceded by a legislative council and an executive council was created as a policy-making body for the protectorate.

In 1970, a single governing council was created under a new constitution. It consisted of 17 elected members and 9 public service members, with the High Commissioner having veto power. April 1974 saw the acceptance of a new constitution which provides for 24 elected members and an indigenous chief minister (under the high commissioner) who had the right to appoint his own cabinet. Solomon Mamoloni was appointed the first chief minister. Finally, in mid-1975, the name British Solomon Islands Protectorate was replaced with the officially adopted name Solomon Islands, and on January 2, 1976, the Solomons became an internally self-governing state.

Constitutional Developments

The Solomon Islands Constitutional Conference concluded in London on September 16, 1977. The Solomon Islands delegation was led by the then Chief Minister, the Honorable Peter Kenilorea. In all, 25 elected members of the 38-member Assembly attended. At the closing session, the delegations embodied the principles which it was agreed should be included in the Constitution for an independent Solomon Islands.

The Solomon Islands were to be a constitutional monarchy with the Queen as Head of State represented locally by a Governor-General who must be a citizen of the country. It will have a unicameral parliamentary system and a Cabinet government headed by a Prime Minister. Emphasis is on the devolution of power to provincial governments. Chiefs and traditional leaders are given a special role within these arrangements.

The Constitution will contain comprehensive provisions for fundamental rights and freedoms and for the introduction of a leadership code, an ombudsman and a public solicitor. The Constitution will also provide for the establishment of the underlying law, based on the customary laws and concepts of the Solomon Islands people. The indigenous people of Solomon Islands will acquire citizenship automatically on independence, and others with close ties with the Solomon Islands may acquire citizenship on application.

As part of these negotiations, the British Government agreed to make available on a grant basis a total of 26 million pounds ($A 41 million) in development and budgetary aid to Solomon Islands in the four years following independence. Three million units of account (equals approximately $A 3.2 million) will be made available from the European Development Fund in addition to approximately $A 6.4 million already allocated to Solomon Islands.

Foreign Policy

The Solomon Islands became the 150th member of the United Nations on September 19, 1978. The country will retain membership in the British Commonwealth. An Ambassador accredited to the United States and the United Nations, will serve simultaneously as the High Commissioner accredited to the United Kingdom and Canada, and remain resident in Honiara. The U.S. Ambassador to Papua New Guinea, Mary Olmsted, will serve concurrently as the U.S. Ambassador to the Solomon Islands. Australia and the United Kingdom have established High Commissioners resident in Honiara.

Political Situation

The Solomons underwent a smooth transition to independence on July 7, 1978. Its Prime Minister, Peter Kenilorea, is concerned, however, that not enough Solomon Islanders recognize what independence means and has recently been using radio time and printed media space to discuss this issue.

Pre-independence elections in July 1976, saw Kenilorea defeat the former Chief Minister Mamaloni, but he inherited a largely opposition parliament. In the interval, however, he has won the tacit support of approximately three quarters of parliament and now has only an ineffective oppostion.

Party politics is almost non-existent. Mr. Kenilorea has been quoted as noting that "political parties have not really gotten off the ground" (Pacific Island Monthly, January 1977). The government itself is composed of the Prime Minister, and his 10 ministers while 20 other members of an independent group generally support the government on most issues. The opposition National Democratic Party numbers only seven members and is led by Bartholomew Ulufa'alu. It lacks any identifiable set of politics other than being anti-government.

The principal success of the government has been negotiations and financial settlement with the British and the resolution of differences over citizenship and land. The Chief Minister persuaded the British Government to convert concessional loans to outright grants which provide $A 43 million over the first 4 years of independence, an increase of $3 million from the concessional loan levels.

A major difficulty for the government is the desire of the western administration district (Shortland Islands) for autonomy. This issue prompted six members of parliament representing western constituencies and four opposition members to walk out of the parliament before the passage of the constitution. In February 1978, the Western Government Council indicated it was prepared to accept "state government" rather than secession. Provincial government is provided for in the constitution and a 15-man committee is presently studying the procedures for establishing such government.

One of the major issues negotiated between the British and the Solomons was the status of citizenship. Two classes of citizenship are promulgated and British citizens and other non-natives with close ties with the Solomons may be granted citizenship automatically on application. The Government will not discriminate between these two classes of citizenship except in land ownership. Only automatic citizens (those born in the Solomon Islands with two grandparents indigenous to the island) are permitted to have free-hold title to land.

A National Development Plan was approved by the Legislative Assembly in May 1975, to cover the period 1975–79. The plan describes the situation in the country at present and how the government intends to improve it. Basically, the National Development Plan emphasizes three major national objectives:

1. *Decentralization.*—Transferral of power and responsibility for government operations to the local Councils and by them to Area Committees so that the production of local plans reflect local needs and wishes.

2. *Distribution.*—Urgent attention to the distribution of development to the rural communities, more widespread and better education, expansion of government services, development of transport network and improvement in the status of women at the local and national level.

3. *Decolonization.*—Replacement of expatriates by Solomon Islanders at all levels of the public and private sectors, with continued expansion of economic development projects which are wholly or partially owned by Solomon Islanders.

In effect, the political development of the Solomon Islands is only beginning.

Economic Conditions

The Solomon Islands have until now been primarily a colonial economy. The Gross Domestic Product (GDP) in 1976 was $64.1 million, with a per capita GDP of $325. Its annual growth rate during 1970–76 is estimated to have been 10 percent.

The major subsistence crops of the Solomon Islands are taro, yams, and sweet potatoes. Additionally, rice is a staple of many of the Islanders' diets (2,800 tons produced in 1974). Plans call for self-sufficiency and possible exportation of rice in the near future. There are also about 20,000 pigs in the Solomons and the per capita consumption of pork is between five and six pounds per year. A list of domestic manufactured products includes: rattan and other furniture, fiberglass, clothing, boat building, biscuits, tobacco and soft drinks. On a much smaller scale, canoes and small carvings are made in some villages, and there is some basket and mat weaving.

The size of the total work force in the Solomons is not large in relation to the population. A report estimated that only 14,184 islanders were in paid employment positions in 1975. Attempts to stimulate economic growth are hindered by the unskilled nature of the work force. Subsistence production provides the main livelihood for 90 percent of the people.

Government attempts to expand the economic sector include palm oil and bauxite deposits (on Rennell). Mitsui Mining and Smelting Company of Japan in conjunction with Conzinc Riotinto of Australia have plans of building a plant on Rennell to produce 600,000 tons of aluminum. Government revenues from the project could be as high as $A 350,000 per year. Other possible areas of expansion involve timber, fishing and some agricultural exports.

The international economic position of the Solomon Islands is sensitive to world commodity prices. Commodity exports (primarily copra, fish and timber) account for 59 percent of the 1976 GDP. The bulk of the Islands' copra exports go to the United Kingdom, Australia, and Japan. Timber and fish are also leaders on the export list with about $7 million worth of each exported in 1976 (copra exports totalled $4 million). Other exports of a modest financial nature include sea shells, cocoa, tobacco, and scrap metal. Total 1976 exports were $21.6 million. Not surprisingly, the bulk of the Solomon Islands' $24 million imports come from Australia, Japan, the United States, Singapore and Hong Kong. A list of principal imports includes (in descending dollar value totals): transportation machinery, manufactured goods, good, oil and gas, chemicals, drinks and tobacco, and inedible raw materials. Overall, the Solomons have maintained a moderate trade deficit except for 1975 when low copra prices led to a deficit of $13 million.

Fisheries

The major development in fisheries since 1970 is the establishment of an export tuna fishing industry. A joint venture between the Solomon Islands Government and the Taiyo Company of Japan (Solomon Taiyo) provides up to 30,000 tons catch of skip jack tuna a year; establishes ratios of local employees and locally owned vessels; allows bait fishing as a local secondary industry; and outlines steps by the government to ensure the success of the joint venture. The agreement runs until 1983.

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Development of lobster holding and marketing, a local bait fishery, and turtle fisheries are underway. Local fish marketing work is being done. Extension work in marine products, mainly shell, is small in terms of total exports, but other commercial fisheries activities are important at the local market level. A frozen-fish shop operates in Honiara, and fresh fish is sold at most markets when catches are available. The potential for organized regular supplies of local fresh fish and for airfreight exports of crayfish and other high-value fish is largely undeveloped.

Minerals

Mineral prospecting has continued since the 1960's, but no mining has taken place. Minerals involved include gold, copper, nickel, laterite, bauxite, phosphate, and some limestone and manganese. The most promising for development are the bauxite and phosphate deposits on Rennell Island. The benefits of such projects lie in jobs, skills, increased economic activity, and greater economic security for the immediate future. But, the potential disruption costs are being carefully evaluated by the government.

The Solomons are deficient in physical infrastructure and sustained economic growth may be difficult, given the absence of skilled manpower and local investment capital. Export earnings in 1977 created only the second surplus of visible trade since 1970. Adequate employment opportunities remain the key to both economic and political stability.

Economic Assistance

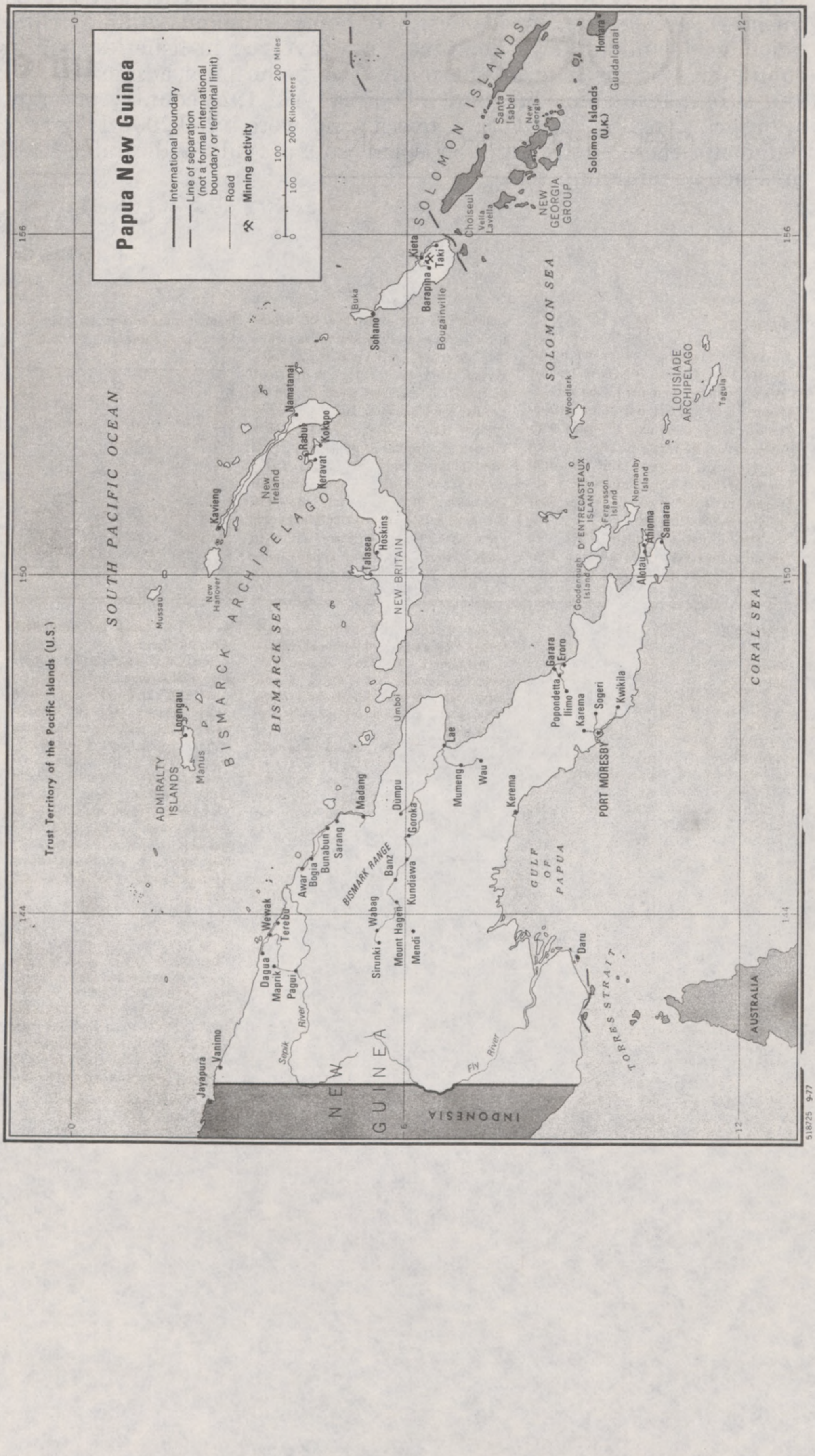
The United States provides no direct bilateral aid. The principal bilateral aid donor is the United Kingdom. Other aid donors include Australia, New Zealand, the Asian Development Bank, and some United Nations agencies such as the U.N. Development Program and the Food and Agriculture Organization. Since it became a member of the Asian Development Bank in 1973, the Solomon Islands has received technical assistance grants totaling $445,000 in connection with its agricultural and industrial loans scheme, and for feasibility studies on the development of an export-oriented beef cattle industry, hydroelectric power development, and the improvement of facilities at Honiara port.

A private voluntary organization, the Foundation for the Peoples of the South Pacific, has been active in the Solomon Islands since 1966. Currently, the Foundation sponsors 30 projects in agriculture, fisheries, livestock development, and vocational training.

There are also Peace Corps volunteers active throughout the Islands. These people are the principal U.S. presence in the Solomons and appear to be both efficient and effective. One of their notable efforts is a comprehensive fisheries development program which includes participation by the Foundation for the Peoples of the South Pacific and the Department of Agriculture and Fisheries.

The Peace Corps entered the Solomons in 1971, but only 10 volunteers had served there by 1974. As a result of early successes, 10 more volunteers and a Country Director arrived in 1975. Volunteers work mainly in small business cooperatives and in New Secondary Schools,

which are newly formed rural vocation education centers, teaching business, agriculture, mechanics, and home economic skills to rural Solomon Islanders. Two volunteers are involved in fisheries, one in computer systems, one in pharmacy, one in hospital administration and two in academic education. The fiscal year 1978 country program appropriations by the U.S. Government were $230,200. It is my judgment these funds are well spent and provide a desirable U.S. presence at minimum cost.


Papua New Guinea
International boundary
Line of separation (not a formal international boundary or territorial limit)
Road
Mining activity
100 0 100 200 Miles
100 0 100 200 Kilometers
Trust Territory of the Pacific Islands (U.S.)
SOUTH PACIFIC OCEAN
SOLOMON ISLANDS
Choiseul
Vella Lavella
Santa Isabel
New Georgia
NEW GEORGIA GROUP
Solomon Islands (U.K.)
Honiara
Guadalcanal
SOLOMON SEA
Buka
Sohano
Kieta
Barapina
Taki
Bougainville
Namatanai
Rabul
Kokopo
Keravat
Kavieng
New Ireland
BISMARCK ARCHIPELAGO
Talasea
Hoskins
NEW BRITAIN
Woodlark
D' ENTRECASTEAUX ISLANDS
Fergusson Island
Normanby Island
Goodenough Island
LOUISIADE ARCHIPELAGO
Tagula
Athioma
Samarai
Alotau
Mussau
New Hanover
ADMIRALTY ISLANDS
Lorengau
Manus
BISMARCK SEA
Umboi
Madang
Dumpu
Goroka
Lae
Mumeng
Wau
Kerema
Garara
Eroro
Popondetta
Ilimo
Karema
Sogeri
Kwikila
PORT MORESBY
Wewak
Terebu
Dagua
Maprik
Pagui
Awar
Bogia
Bunabun
Sarang
BISMARK RANGE
Wabag
Banz
Sirunki
Mount Hagen
Kundiawa
Mendi
Sepik River
Jayapura
Vanimo
NEW GUINEA
INDONESIA
GULF OF PAPUA
FLY River
Daru
TORRES STRAIT
AUSTRALIA
CORAL SEA
518725 9-77

CHAPTER 3

PAPUA NEW GUINEA

INTRODUCTION

Papua New Guinea (PNG) is the largest, potentially richest, and most populous island state in the South Pacific. It is the first independent Melanesian nation. It is a unique country, geographically linked to Southeast Asia identifying with African states but anxious to play a positive role in the evolution of the South Pacific region. The land area is 178,260 square miles (the size of Idaho and Oregon combined) and its estimated 1976 population was 2.83 million. Several thousand villages exist but are divided by precipitous mountains, broad highland valleys, and most significantly by separate customs and 750-odd languages (only 300 of these languages can communicate with one another).

Linguistically, Pidgin English in New Guinea, and Police Motu in coastal Papua are the *linguas francas*. English is spoken by the educated sector of the population. All three languages are interpreted simultaneously in the legislature, but the actual debating is in Pidgin English. When spoken by orators, Pidgin English is quite expressive and, as Prime Minister Somare said, eloquent. The Summer Institute of Linguistics works in 128 languages and is the primary source of scholarly knowledge regarding PNG languages.

Urban migration has reached crisis proportions. People lured by the prospects of jobs and excitement have pushed the growth rates for Port Moresby and Lae in the last decade to almost 10 percent annually. Other areas such as Rabaul, Mandang, Wewak, and the Highlands towns of Goroka and Mount Hagen have an urban growth rate of 6 percent annually. In some areas, the Chimbu District in the Highlands has a population density in excess of 600 people per square mile, as compared to a national average of 16 people per square mile. Such maldistribution inherently increases the difficulties of economic development and government while aggravating squatters slums, malnutrition, crime, and alcoholism.

Governing these isolated and diverse communities alongside of major urban areas such as Port Moresby (117,000 people) Lae and Rabaul is perhaps the most demanding governmental and modernizat ion task in the world. Added to this problem is the temporary necessity of relying upon expatriates to perform some professional and skilled labor functions. These 55,000 "mastas" represent a lingering colonial past, but the government has wisely implemented a gradual program of "localization" (to include naturalized expatriates) and upgrading of indigenous skills. Further, many citizens identify primarily with their local political and economic unit, rather than with a national concept. Thus, the creation of national unity in light of

a diversity of cultures and languages unequalled in the world, is difficult. Yet, what Papua New Guinea has achieved in two decades took Western countries hundreds of years to accomplish.

History

It is probable that man first arrived (from Asia or by way of Indonesia) in Papua New Guinea (P.N.G.) as early as 50,000 B.C. The earliest inhabitants were hunters but later migrants introduced agriculture and farming. Communities were self-sufficient with no form of central administration.

Credited as the European discoverer of New Guinea was a Portuguese sailor, Jonge de Menese, who in 1526 named it Ilhas do Papuas (Papuwah being the Malay word for frizzy-haired). In 1828, the Dutch annexed the Western half of New Guinea while in 1884—at the urgings of Australia and New Zealand—Britain informed Germany that she planned to create a protectorate. In November 1884, Britain proclaimed the southeast coast as a protectorate while Germany claimed the northeast sector of New Guinea for itself. Decades later and within a month of the start of World War I, the German sector came under the control of the Australian military command, and in 1920, the League of Nations gave Australia a mandate to govern the former German colony.

When the federal government of the Commonwealth of Australia was created in 1901, it took responsibility for British New Guinea as well and the name was changed to the Territory of Papua. Australia's control of the mandated area of New Guinea and the Territory of Papua was threatened in January of 1942 by the Japanese invasion of Rabaul, but joint American and Australian forces were able to halt the attack. Eventually, in 1944, the Japanese were driven from their fortifications on the northern islands.

By 1946, it was obvious that both territories could be governed by a single administration and Australia's mandate to administer New Guinea under trusteeship was approved by the United Nations. A legislative council for the combined territories (consisting of three elected Europeans and nine nominated members) was inaugurated in 1952. The council, like those in existence before the war, had little authority. In 1964, a House of Assembly with 64 members came into being. 44 of its members were elected at large, with 10 appointed members and 10 from reserved electorates. In 1972, the Assembly was increased to 100 elected members, 82 being open electorate with 18 regional electorates with candidates required to possess certain educational qualifications.

The task of preparing for self-government was given to the House of Assembly and on July 1, 1971, the National Identity Bill was announced. This paved the way toward independence and establishing the name of the country as Papua New Guinea. On September 16, 1975, full independence was granted by Australia and Papua New Guinea then became a sovereign state within the British Commonwealth.

Foreign Policy

Shortly after independence on September 16, 1975, The Australian and P.N.G. Prime Ministers agreed in a joint communique (March 4,

1976) that both governments would pursue independent foreign policy and that they would attach significant importance to cooperation and consultation with their neighbors in regional affairs.

Since independence, P.N.G. has adopted a "universalist" approach to foreign relations. Its guiding principle is the maintenance of harmonious relations with other states regardless of their political or ideological stances. The sole exceptions to this policy are countries with racist policies such as South Africa with its apartheid practices. The P.N.G. sees regional relations in the South Pacific and the maintenance of cordial relations with Southeast Asia (especially ASEAN countries) and Australia as its principal interests. The P.N.G. Government in May 1978 recognized 44 countries including: Australia, Great Britain, Fiji, Israel, Japan, Korea (both the Democratic People's Republic and the R.O.K.), New Zealand, the United States, the U.S.S.R., Yugoslavia, and all ASEAN countries.

U.S.S.R., United States, and China

The government's policy toward the U.S.S.R. recognition results from the desire to maintain an unaligned foreign policy and to insure that the P.N.G. is not drawn into a great power rivalry. Former P.N.G. Foreign Minister Sir Mori Kiki visited Moscow in July 1976 to demonstrate an evenhanded approach between the U.S.S.R. and the P.R.C. (which he had visited in February 1975 as Minister for Trade). Last year their resident Ambassador transferred his base of operations from Washington to New York because he believed that it was more important to deal with the United Nations. The P.N.G. Minister for Foreign Affairs and Trade, Ebia Olewale, announced the Cabinet decision to defer invitations to the Soviet and Chinese (P.R.C.) to establish embassies in Port Moresby. The rationales were insufficient manpower to cope with too many embassies and inadequate building sites. The announcement of April 19, 1978, however, specified further examination of these questions.

Prime Minister Somare established formal diplomatic relations with the P.R.C. on October 12, 1976, during a visit to Peking. The Chinese have adopted a positive and constructive attitude toward the P.N.G. and a large Chinese trade exhibition was held in Port Moresby from October 1–12, 1976. A Chinese acrobatic team visited the P.N.G. in July 1977.

Japan

Prime Minister Somare paid an official visit to Japan in December 1977. During that visit the Japanese announced their willingness to lend the P.N.G. 3.5 billion yen in economic assistance. Although Australia remains the most important aid donor, this commitment by Japan will make it the leader among other countries' foreign economic assistance. This development is understandable since the P.N.G. is a potentially important source of raw materials supply for Japan. Japan has much to offer in terms of investment, technology and aid to the P.N.G. Traditionally the second leading trading partner with the P.N.G. Japan is also the second principal source of investment, especially in timber and fisheries industries. Further, the Japanese Government has participated in a recent feasibility study with the P.N.G. and Australian Governments on hydro-electric development.

New Zealand

In recent years the P.N.G. has developed closer links with New Zealand. In April 1976, Deputy Prime Minister Talboys visited the P.N.G. and pledged a continuation of economic assistance ($NZ 1.5 million in 1975–76). Trade between the two countries has been expanding rapidly, in part due to the lower shipping costs when compared to the Australian–P.N.G. run. Nevertheless, New Zealand still has only an insignificant share of the P.N.G. market. Government officials have indicated an interest in seeking trade concessions from New Zealand and other Pacific countries to compensate for the loss of preferences resulting from the phasing out of the British preferential scheme, but no firm decisions have been made yet.

Indonesia

Despite border problems with the largest and most powerful nation in Southeast Asia, relations with Indonesia are cordial. Nevertheless, the common border problem and dissidents in Irian Jaya and the OPM (Free Papua Movement) have been a minor but persistent irritant in bilateral relations. In particular, the P.N.G. Government suffers from the existence of significant numbers of Irianese in P.N.G. Prime Minister Somare visited Indonesia in January 1977 and the Foreign Minister visited Indonesia in May 1978. Both countries consult frequently on regional political affairs. Prime Minister Somare has argued that East Timor is "entirely a domestic matter for the Indonesian Government," and Foreign Minister Ebia Olewale's visit to East Timor in May was the first by a minister from a foreign country.

Minister of Foreign Affairs and Trade Olewale visited Jakarta and several Indonesian provinces including Irian Jaya. In Jakarta, Olewale met President Soeharto and had talks with the Indonesian Foreign Minister, Professor Mochtar, and senior Indonesian officials. Among the matters discussed were the possiblity of increased bilateral trade, the development of technical cooperation, and possible technical training in Indonesia of Papau New Guinean students.

Regional political developments were discussed and Olewale informed Mochtar of the acceptance by South Pacific governments at the 1977 South Pacific Forum meeting in Port Moresby of a Papau New Guinea proposal that there should be increased contacts between the Forum and ASEAN. Mochtar welcomed this proposal and promised to raise it at the next meeting of ASEAN Foreign Ministers.

More frequent consultations at the ministerial and senior officials level on questions relating to the border issue and the activities of the dissident Irianese OPM (Free Papua Movement) were arranged.

Australia

The Torres Strait border dispute between Australia and Papua New Guinea has been tentatively resolved. The border dispute, literally the only issue marring bilateral relations, stems from a line drawn by the Queensland Government, which provided that every piece of dry land and the waters between the mainlands of Australia and Papua New Guinea was made a part of the State of Queensland. However, that legal definition would come within two kilometers of the P.N.G. coastline and has been obviously unacceptable.

The Minister of Foreign Affairs for Australia, Mr. Andrew Peacock, in the House of Representatives on May 25, 1978, noted principal agreement upon the basic elements of a treaty regarding the maritime boundaries between the two countries. Included will be a commonly agreed upon seabed resources delimitation line, a line delimiting the swimming fisheries resources jurisdiction between the two countries.

ASEAN

The P.N.G. sent observers to the last round of Association of Southeast Asian Nations (ASEAN) meetings. Earlier, the Foreign Minister Sir Kiki attended the June 1976 ASEAN foreign ministers meeting. The basic P.N.G. policy is to maintain frequent and cordial consultations with ASEAN, but it is not seeking membership. The fundamental reason for this is the P.N.G. decision to emphasize its status as a Pacific, not a Southeast Asian, country. However, P.N.G. has taken the initiative through the South Pacific Forum in 1977 to encourage closer contacts between Pacific island and ASEAN countries.

South Pacific

The P.N.G. regards itself as a South Pacific nation and gives relations with its island neighbors the highest priority. It is an active member of the South Pacific Forum and the South Pacific Bureau for Economic Cooperation, and believes these organizations should have priority over the South Pacific Commission in developing regional cooperation. The P.N.G. has established firm relations with other South Pacific countries and has opened High Commissions in Wellington and Suva. In 1976, they appointed a Visiting Commissioner to the Solomons and an interim agreement was reached in 1977 delineating maritime boundaries between the P.N.G. and the Solomons. Significantly, the P.N.G. provided relief aid to the Solomons following earthquakes there in 1977.

International organizations

The P.N.G. was admitted to U.N. membership on October 10, 1975 and is an associate or a full member of the following U.N. bodies:

Food and Agricultural Organization (FAO);
International Development Association (IDA);
International Bank for Reconstruction and Development (IBRD);
International Telecommunications Union (ITU);
International Monetary Fund (IMF);
Economic and Social Commission for Asia and the Pacific (ESCAP);
World Health Organization;
UN Educational, Scientific and Cultural Organization (UNESCO); and the U.N. Development Program.

The United Nations maintains an information office in Port Moresby.

The P.N.G. joined the British Commonwealth of Nations and attended the regional meeting in Sydney in February 1978. The P.N.G. is also a member of the Asian Development Bank, the South Pacific Commission, and the South Pacific Forum.

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Law of the Sea

Perhaps the principal foreign policy concern of the P.N.G. Government has dealt with a 200-mile exclusive economic zone in an archipelago regime. On March 30, 1978, the P.N.G. proclaimed maritime jurisdiction extending 200 miles. At the Law of the Sea Conferences, the P.N.G. has cooperated closely with other members of the Oceanic Group (Australia, Cook Islands, Fiji, Micronesia, Nauru, New Zealand, Tonga and Western Samoa).

Defense

The P.N.G. defense forces include:

Two infantry battalions (one deployed near the Indonesian border);

Five patrol boats and landing craft; and

Three DC–3 aircraft.

The total strength of the defense forces is about 3,500.

Brigadier Ted Diro, the Commander of the Defense Forces, explained how difficult it was for the P.N.G. forces to deal with dissident Irianese, given mountains, rain forests, knife-sharp ridges and pockets of political support. Because of the geographical conditions, air drops are the principal means of supplying the deployed infantry companies.

The impressions formed of the P.N.G. Defense Forces were of small and competent forces, primarily oriented to assisting in national development. Obviously, any nearby conflict would require coordination with the Australian Government.

Political Situation

In 1977, national elections saw the return of the Somare Government and effectively ended a post-independence period of apprehension regarding the political evolution of the country. Somare's Pangu Party is allied with the People's Progress Party (PPP) led by Deputy Prime Minister Julius Chan and various personality cult independents who won seats while aligning themselves with Somare. This alignment gave the Prime Minister an unexpected majority of 60 of the 108 seats in parliament. More significantly, the election dispelled the prospect of disintegration into several states that worried Indonesian and Australian observers.

Since the June 1977 elections, however, the coalition has been severely strained by differences of opinion. The Prime Minister announced strong anti-corruption proposals, on March 3, 1978, in a speech to the National Parliament. Mr. Somare proposed new legislation to further tighten provisions to "stop national leaders getting involved in private business." Essentially these new laws would require all ministers, senior officials, their wives and children to give up business interests and prohibit the ownership of such interests. Mr. Chan, the Deputy Prime Minister and the leader of the People's Progress Party, objected to these proposals. Nevertheless, on April 19, 1978, the National Executive Council (cabinet) approved the proposals and draft legislation was prepared for implementation. Then, on May 24, the Prime Minister unexpectedly announced his decision to defer introduction of the legislation and to appoint a blue-ribbon and "non-politcal" committee to advise him on the practicalities of the legislation. He emphasized that although the atmosphere was tense, he remained committed to the objectives originally stated.

Aside from this dispute over business involvement, the Government's strong majority in parliament has allowed it to pursue policies confidently—in contrast to 1976 and early 1977 when bickering amongst Government back-benchers made a command majority less likely. The most significant political development in 1978 has been the expansion of power to 19 provinces. This devolution was confirmed with the appointment of Father John Momis, a prominent Bougainville secessionist and proponent of decentralization to the post of Minister for Decentralization.

Parliamentary opposition

The opposition continues to be in disarray reflecting a dispute from March of this year when dissatisfaction with Sir Tei's leadership was expressed by United Party members. Then after a recess period, the new leader of the opposition, Mr. Ianbacey Okuk (member for Chimbu), defeated a new challenger, Mr. Doa, by 23 to 20 votes. Thus, on May 22, Okuk was formally recognized by the Speaker as the leader of the opposition.

The opposition party is known as the People's United Front and comprises members from the United Party, some independents, and some members of the Besema movement. A new shadow ministry has been named which includes representatives from most regions of the country. In particular the new opposition leader has urged less government and supported the concept of four rather than 20 regional governments. He has further opposed the Prime Minister's leadership on ethics codes, arguing that the concept of a leader having no personal wealth cuts across the highlands territories "big man tradition." Those members of the United Party who have not joined the People's United Front continue as an independent block in parliament under Sir Tei.

Bougainville secessionist movement

For much of the past decade, Bougainvillians have been seeking greater autonomy and have passed resolutions and established organizations promoting this concept. Crucial to the understanding of this development is the fact that ethnically and culturally these people have greater ties with the Solomons as compared to the P.N.G. mainland. In addition, Bougainvillians have historically believed that they have been an isolated and neglected province of the P.N.G.

The single most volatile issue on the island is the copper mine which is seen as an alien imposition disruptive of traditional life and an institution whose benefits flow primarily to the P.N.G. capitol.

The most successful act of Prime Minister Somare's Government was his handling of the secession crisis. When denied full provincial status in the summer of 1975, the Bougainville province voted for secession. The national government responded by freezing funds, suspending the provincial government and trying to negotiate. Riots developed in January 1976 and negotiations were conducted between February and April 1976. Finally, the national government granted a degree of local autonomy to the provisional regime and in return for a commitment by Bougainville to remain within a united P.N.G. A formal document outlining the relationship between the two governments was signed on August 7, 1976.

Reports indicate that Bougainville leaders believe this agreement will be satisfactory if implemented as written; if not, movement toward secession will grow again. The agreement is complex, and it is questionable whether the national government has the capability to implement this policy in an effective fashion while simultaneously staffing 19 new provincial governments. Nevertheless, the continuing dialogue between Bougainville and the P.N.G. national government thus far has managed to avert a political split.

1977 ELECTION RESULTS

Parties	Seats	
	1977	1972
Pangu	40	26
PPP	22	15
United	24	42
National	2	8
Country	1	3
Mautaungans	3	3
Papua Besena	6	1
Independents	8	4

Economic Conditions

The P.N.G. is essentially an agricultural nation that relies upon primary industries for the majority of its overseas income. Between 80 to 85 percent of the people are engaged in subsistence agriculture. Private enterprise is export oriented and largely owned by foreign expatriates and firms. The estimated Gross Domestic Product (GDP) in 1976 was $1.3 billion. The annual growth rate has been in excess of 8 percent. Per capita GDP is $448.

The economy has made rapid progress in the last decade in the development and export of its natural resources. Traditionally, copra, cocoa, and coffee have been the major export commodities. However, by 1975 copper ore production reduced these agricultural commodities to only 30 percent of the total exports. The greatest export earning capacity is provided by the copper mine at Panguna on Bougainville Island. The mine also produces some gold and silver as by-products and makes up approximately 50 percent of P.N.G. exports. Other growth sectors include the forestry and timber industry, palm oil production, marine industry, rubber, tea, and pyrethrum (an ingredient of some insecticides). There have been no commercial oil discoveries at this time, but proven natural gas fields exist and exploration for oil continues. The government continues to encourage the planting of cash crops by villagers and tea and coffee production are the principal commodities. Until 1973, P.N.G. imports were considerably higher than its exports, but governmental emphasis and the success of the copper exports have managed an about-face in the balance of trade.

Secondary industry is primarily oriented to serving and expanding the domestic market. These products include: biscuits, batteries, beer, glass containers, steel drums, chemicals, detergents, cigarettes, paper products, metal products, fiberglass paint, prefabricated buildings, radios, refrigerators, and stoves. More generally, there is also a governmental emphasis on the attraction of tourists to the country.

The country's major trading partners include Australia (13 percent of exports), Japan (50 percent of exports), the United States (6 percent), New Zealand, Singapore, Hong Kong, and the European Economic Community countries. By far, the largest trading is done with Australia which supplies 55 percent of all PNG imports. The majority of these imports are in the form of machinery, manufactured goods, foodstocks, and live animals.

Foreign investment in the preceding decade was estimated at $850 million; half of this being involved with the construction of the Bougainville copper mine. Probable future foreign investment will also be devoted to mineral resources and several projects could reach the development stage by the early 1980's. The government is particularly anxious to acquire further investment and has been more open than many other less developed countries on this issue. U.S. direct investment is quite small except for a few mineral exploration projects, tuna fishing industry, and some timber. However, American banks were instrumental in helping to arrange financing for the copper mine and will play a similar venture capital role in the future. The United States does purchase large amounts of the coffee, cocoa, skipjack tuna and prawns.

The Minister for Finance, Mr. Barry Holloway, presented the 1978 budget on February 21, 1978. The budgetary year coincides with the calendar year. The anticipated expenditure for 1978 is Kina $485.8 million against revenues of $K 476.2 million, leaving a deficit of $K 6.6 million to be financed by local commercial borrowing. Revenues will be comprised of internal revenues (55.4 percent), Australian aid (37.8 percent), and international loans (6.8 percent). An earlier agreement between the governments provides for at least $A 180 million for each of 5 years from 1975 through 1980.

Mr. Holloway reiterated the government's commitment to 3 percent annual real growth in budget expenditures and announced five domestic revenue-generating measures: increased duties on luxury imports; extension of 15 percent withholding tax to cover dividend payments; one percent tax on bookmaker's turnover; the elimination of tax returns for most wage earners; and tighter regulation of the scheme for tax incentives for local companies. The underlying principles of the budget are economic stability, financial restraint, a hard currency (foreign) reserve, and strong control over local wages.

The National Public Expenditure Plan (NPEP) is the first step toward national planning and provides a list of new projects and activities which the government intends to introduce. Spending on the new projects in 1978 will amount to 4.8 percent of the budget and will rise in each of the upcoming years. The listing of priority projects include emphasis on increased food production to improve nutritional standards and to expand import substitution. Because of government dissatisfaction with stagnant investment in the economy, a series of initiatives to encourage investment were announced. These include: exemption from the tax of 50 percent of the profits of manufacturing enterprises when profits are generated from increases in export sales; loans for local investment firms experiencing cash flow difficulties in their first year; payment of 50 percent of the cost of feasibility studies to be recovered as equity investment for projects backed by foreign investors; and concessions on the interest rates and repayment terms for P.N.G. investors in primary industry.

A boon in the export prices for P.N.G.'s principal agricultural products (especially coffee) in recent years has compensated to some extent for a decline in receipts from Bougainville copper mine because of world copper market conditions. Further, the P.N.G. Government has sought to maximize its gain by creating agricultural stabilization funds designed to assure growers of minimal revenues during market slumps. Government policies of budget restraint and hard currency strategies have facilitated a cut in the inflation rate during recent years (3.8 percent for 1976–77). In addition, a wage indexation agreement guarantees workers wage raises equal to increases in cost of living up to a maximum of 12.5 percent per year.

Because the P.N.G. is heavily dependent on mineral exports, the world market price is of major significance to the country. Cyclical highs and lows are always disruptive and several commodity stabilization funds have been established to mitigate the effects of such swings. Further, unemployment caused by the trend toward urban migration by educated village youth and the underemployment of substantial members of the population will remain a continuing problem if a market economy is to be developed. Additionally, the lack of sufficient transportation infrastructure continues to be a serious disadvantage to commercial development.

Economic Assistance

Economic assistance provided by the United States is administered through private and voluntary organizations. The projects include:

A three-year leadership training and nonformal education program (fiscal year 1977–79) for selected rural villages. The Summer Institute of Linguistics receives $568,000 to conduct the program.

Agricultural training and improvement of community organizations for the rural poor in six selected areas. The Foundation for the Peoples of the South Pacific has been granted $548,000 to conduct this two-year (fiscal year 1977–78) program.

There is no Peace Corps program, but the U.S. Government is prepared to enter into such an agreement if the Papua New Guinea Government is desirous of obtaining volunteers. Thus, there is no direct economic assistance to the PNG. Indirectly, U.S. assistance is provided through the funding of the Asian Development Bank, the International Bank for Reconstruction and Development, and the United Nations Development Program.

Australia is by far the largest bilateral aid donor, having been committed to providing $1.2 billion in direct aid for five years following independence. Japan provides about $5 million annually to subsidize Japanese investments. New Zealand aid averages $2.5 million yearly.

U.S. Presence

There are about 2,700 citizens of the United States living in Papua New Guinea. For the most part, Americans are engaged in missionary work or related activities. The largest groups represented are Lutherans and Roman Catholics. A major installation is the Summer Institute of Linguistics at Ukarumpa, which is largely American staffed and produces editions of the New Testament and other religious literature in many different local languages and conducts rural education programs.

Other Americans are found teaching at the University of Papua New Guinea and working in various government offices. There are a few U.S. businessmen engaged in exploration work in either minerals or petroleum and natural gas. The International Volunteer Services (IVS) has a half-dozen Americans assigned on 2-year contracts. Finally, a number of Americans are married to either Papua New Guineans or Australians and raising their families here.

A particularly effective International Communications Agency program is administered by Public Affairs Officer, Frank L. Albert. The objectives are to:

- Explain American institutions;
- Explain the special contribution made to American culture by ethnic minorities;
- Promote U.S. trade and investment; and
- Promote understanding of the United States' role in the Pacific Basin.

The means of achieving these objectives are diverse: they include speakers such as former Senator Hugh Scott, who spoke here in February on the American political system; Ambassador Peter Rosenblatt, who explained USG policies in Micronesia; economist Anne Krueger (University of Minnesota), who lectured on the new economic order, and political scientist Henry Albinski (Penn State), who led a seminar on the international relations of the Pacific.

Other facilities include a film library of approximately 200 films; ICA publications, "Horizons," "USA" and "Topic", which are distributed to the P.N.G. leaders six times annually; a video library of approximately 100 tapes; occasional exhibits (three in 1977); and the distribution of wireless film materials to the local press. Exchange programs also contribute to mutual understanding. More than ten P.N.G. citizens will visit the United States on International Visitor grants during the fiscal year.

Additionally, three Papua New Guinean students are working toward Master's degrees in American universities this year on grants provided by the South Pacific Commission, funded through ICA and administered locally. An American Fulbright professor (law professor from Vanderbilt University) taught at the UPNG during the past year. Finally, twice-weekly film and video shows are provided for interested audiences.

The effectiveness of this small program is evident in the personal involvement of the Prime Minister, Deputy Prime Minister, other senior P.N.G. Government officials and diverse groups of local citizens. Attendance at programs is consistently high, publications are eagerly sought, tapes and films are regularly borrowed, and many International Visitor grantees are influential P.N.G. citizens. In view of these results, the estimated 1978 costs of $190,777 represent a valuable and cost-effective tool of diplomacy.

Visit to Numba Village

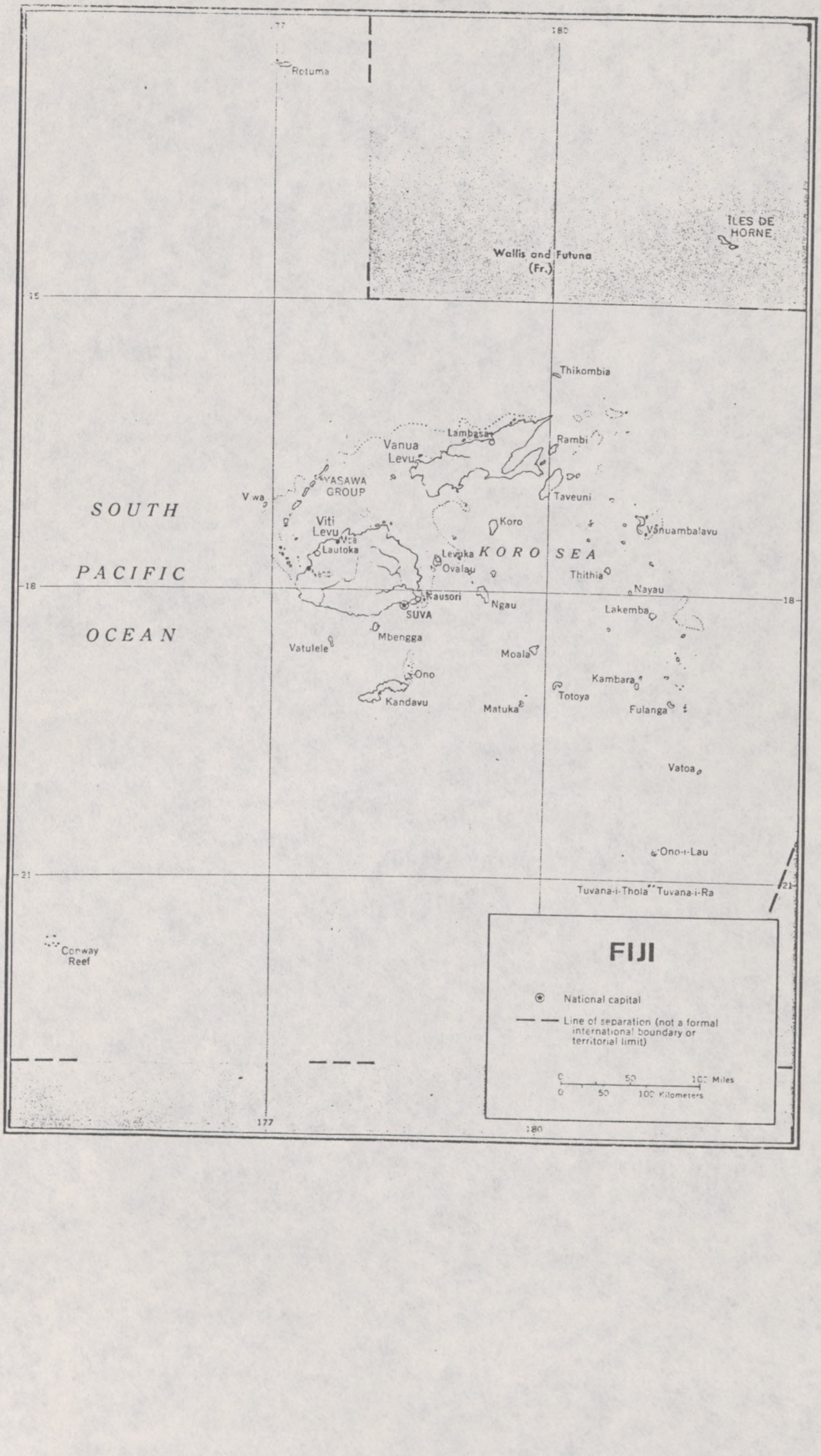
The Presidential Delegation visited the Village of Numba to experience and better understand the social and economic diversity of this country. This village, like many in P.N.G., was unknown two decades ago. Indeed, periodically new villages and people are being discovered.

In the village, tribal leader Marija, 88 years old, after receiving a medallion gift from Senator Glenn, presented the Senator with a neckpiece which he took from around his own neck. He then gave a speech saying, "Many years ago, white man came and taught us to stop fighting. Years and years ago we fought and cut each other up and ate each other. We lived like animals. White man taught us to live like men. White man has come again."

Of particular interest is the experience of Rev. I. Dequincey Newman, during a hike from the air strip to Numba village. Because of his age, he stopped at a school complex to rest while the others proceeded toward the destination. There he discovered that the people had mistaken him for an official of the Papua New Guinea Government. They were under the impression that all Americans are Europeans and Reverend Newman was the first black American that they had seen.

He explained to them the black presence in America, and the progress that had been made, socially, economically and politically.

On the return trip from Numba to the air strip, he was accompanied by 12 to 15 young people who appeared to range in age from 10 to 18. Whenever he stopped to rest, the entire group of youths stopped with him and refused to proceed. Greater deference could not have been shown to their grandfather.


177
180
Rotuma
Wallis and Futuna (Fr.)
ILES DE HORNE
15
Thikombia
Lambasa
Rambi
Vanua Levu
YASAWA GROUP
Vwa
Taveuni
Viti Levu
Koro
Vanuambalavu
Lautoka
Levuka
KORO SEA
Ovalau
Thithia
Nayau
18
Kausori
Ngau
SUVA
Lakemba
Mbengga
Vatulele
Moala
Ono
Kambara
Totoya
Kandavu
Matuka
Fulanga
SOUTH PACIFIC OCEAN
Vatoa
Ono-i-Lau
21
Tuvana-i-Thola
Tuvana-i-Ra
Conway Reef
FIJI
National capital
Line of separation (not a formal international boundary or territorial limit)
0 50 100 Miles
0 50 100 Kilometers

CHAPTER 4

FIJI

INTRODUCTION

Fiji is at the crossroads of the South Pacific. Originally, Polynesia and Melanesia first met in Fiji. Today it is the site of the South Pacific Bureau for Economic Cooperation and of the University of the South Pacific. This central location and earlier history have created a modern economic infrastructure. Fiji is the second most populous island state and economically the most advanced country in the South Pacific.

Fiji's more than 800 islands are centrally located in the South Pacific and scattered over 7,055 square miles. The major islands of Viti Levu and Vanua Levu contain 90 percent of the land and population. About 105 islands are inhabited. Urban centers have been swollen by steady migration from villages.

HISTORY

Fiji became independent on October 10, 1970, exactly 96 years to the day that the islands were ceded to Queen Victoria by the Fijian chiefs in 1874.

Although men are believed to have arrived in the Fijian Island group more than 3,000 years ago, the first European discoverer was the Dutch navigator, Abel J. Tasman, in 1643. During the 1700's various British ships including those of Captain Cooke and Captain Bligh sighted the islands. European colonization came about in the early 1800's primarily through the attempt to exploit local products for trade. European missionaries arrived in the 1830's.

The first resident governor, Sir Arthur Gordon, arrived in June 1875. Because the cotton trade was unable to compete with the rejuvenated cotton plantations of the United States following the Civil War, Gordon authorized the importation of indentured Indian laborers. The first shipload of nearly 500 laborers arrived in May 1879. These shipments continued until 1916.

Local representation in the islands governing council was secured in 1904 when the previously all-European legislative council was enlarged to include two Fijian members from the council of chiefs. Later, in 1916, one Indian member nominated by the governor began to sit with the council. The first important step in route to self government occurred in 1964, when the executive council was enlarged and in effect became a cabinet responsible for specific areas. Under this system, members of the legislative council became responsible for the administration of the country. This was the predecessor of a ministerial system adoped in 1967. The easing of tensions between Fiji's two major political parties enabled a constitutional conference to be convened in London in 1970 at which it was agreed that Fiji would become independent.

Foreign Policy

Because of its size, location, facilities and assertive leadership, Fiji has become the most influential and important of the South Pacific island nations. This importance is reflected in the location of numerous regional organizations in Fiji, thereby making it a focus for multilateral diplomacy in the region. The South Pacific Bureau for Economic Cooperation (SPEC), which is the Secretariat of the South Pacific Forum, is located in the capital of Suva and is a principal force in terms of drafting resource policy and aid programs for its members. The principal advantage of the SPEC is that it includes outside powers such as Australia and New Zealand, that contribute development funds. Regional cooperation is the principal theme of Fijian foreign policy.

Its geographical location and its harbors combine with its readily available communications and airport facilities to make it an obvious operational base in the event of military actions. Fiji has increasingly played an international role. A 500-man Fiji contingent is operating as part of the U.N. Peacekeeping Force in Lebanon.

The People's Republic of China has established an embassy in Suva. The Soviet Union has discussed the establishment of a mission, but no decisions have yet been reached. However, Soviet oceanographic research vessels regularly call at Suva.

Perhaps the principal and most immediate foreign policy aspect affecting Fiji and other island nations is the question of economic integration and how these economies relate to the world economy. In June, Fiji and the Republic of Korea (South Korea) agreed to cooperate in fishery and forestry. In this sense, Fiji is a significant force in the discussion of these questions in the various regional forms. These island states quite naturally are desirous of avoiding the dangers presented by great power rivalry to peaceful and harmonious development in the region. Hence, they seek to avoid that rivalry while promoting stability and cooperation. However, they do acknowledge that the great powers have a potentially positive role to play in the region in terms of supporting their economic and social development.

Relations between Australia and Fiji continue to develop with the increased importance Australia has attached to the South Pacific region over the last two years. Annual talks between Australian and Fijian officials were begun in July of 1976. Australian aid programs to Fiji announced in 1976 have maintained their momentum. This aid is channelled through development finance institutions with the objective of increasing effectiveness at the grass roots level.

The trade imbalance of $58.5 million in Australia's favor, though counterbalanced to some extent by aid flows, direct private investment, the tourist trade, and other invisible items, is a source of concern for the Fijian Government. Fiji hopes to achieve a greater balance by gaining concessions on civil aviation, investment and other special schemes. Nevertheless, Australia has made concessions in the form of tariff preference, handcraft concession, and market advisory services. Moreover, the bulk of existing imports from Fiji enters Australia free at general tariff rates.

Under an expanded defense cooperation program, Fiji servicemen participate in Australian training programs. A total of seven RAN ships paid goodwill visits in 1977 and joint exercises were held with the

newly established Royal Fiji Naval Squadron. (The United States has supplied three vessels via FMS sales that are used for patrolling the new 200-mile economic zones.)

A continuing dispute has existed between the Fijian Government and New Zealand over reciprocal landing rights for Air New Zealand and the largely Fijian-owned Air Pacific aircraft. Evidently, the Fijian Government sees Air Pacific as its potentially third largest foreign exchange earner and intends to maximize the airlines' potential. This and other recent flash points have prompted the appointment of a Fijian High Commissioner to Wellington this year—8 years after independence.

In summary, a stable Fiji (this presumes continued tolerance between Fijians and Indians) with its significant role in regional affairs is an important cooperative asset to U.S. diplomatic efforts in the region.

Political Situation

Fiji achieved independence on October 10, 1970, and has remained an independent dominion within the British Commonwealth. It has a bicameral parliament consisting of a nominated Senate and an elected House of Representatives. The Cabinet is presided over by a Prime Minister and includes 14 members. The Constitution does provide for an ombudsman to investigate complaints against government authorities. The Queen of the United Kingdom is the head of state and is represented in Fiji by the Governor-General.

Fiji is a country where the ethnic composition of the people has shaped political developments. The Constitution provides for ethnic representation in the House of Representatives. The House contains 52 members: 12 Fijian, 12 Indian, and three general members are elected from communal rolls; and 10 Fijian, 10 Indian, and 5 general members are elected from national rolls. The significance is that only the national rolls have members of all races who vote together. Thus, the system provides for ethnic representation to ensure a racial balance and guarantee the status of Fijians, the original inhabitants of a country in which they are a minority. The 22 members of the Senate are comprised of 8 members appointed by the Great Council of Chiefs, 7 members appointed by the Prime Minister, 6 members appointed by the leader of the opposition, and one member appointed by the Council of Rotuma.

The first general post-independence election took place in April 1972, and the Alliance Party (primarily Fijians) was returned to power with 33 seats in the House as compared to the National Federation Party (primarily Indians) which won 19 seats. Then in September 1977, the Alliance Party retained power, holding 36 parliamentary seats as compared to 15 seats won by the NFP. This victory resulted in part from a split in the opposition party. Nevertheless, the largest Alliance victory in eleven years was further weakened by their drop in support among Indians from 32 percent (1972) to 16 percent in 1977, a continuing reminder of racial tensions.

Local government is administered through four administrative districts. At the village level (Koro) there is a separate administrative unit with a person nominated generally by the people who direct that unit. There are 14 provinces which are the intermediary links between the local and district headquarters. Each province is governed by a

council and an executive head of the council, whose appointment must be approved by the Fijian Affairs Board.

Annually, the meeting of the Great Council of Chiefs discussed proposed legislation that has a direct bearing on the Fijians. The Council is further regarded as the keeper and protector of Fijian traditions. As such, the Council as noted earlier, may elect 8 senators. The Fijian Affairs Board is the top level administrative unit and is comprised by the Minister for Fijian Affairs and Local Governments, and a variety of 8 members elected solely by the Fijian members of the House of Representatives and 2 members elected by the Great Council of Chiefs. The Board is served by a number of advisory staff. Its main function is to make recommendations to government on matters pertaining to Fijians.

Perhaps the principal determinant of Fiji's future political stability will be racial harmony. A century ago Indians were brought to Fiji as indentured laborers to work coconut, cotton, and later sugar plantations. Today the Fijians are a minority in their own country. To buttress their position in this multiracial land—43 percent Fijian, 52 percent Indian, 5 percent Chinese, Anglo-Saxon and other Pacific Islanders—Fijians established certain land rights. Eighty-three percent of the land is owned by Fijians with rental options available in 30-year leases. These "rights" are seen as a counter-balance to the immigrant Indians commercial successes.

Attempts to cope with these racial divisions continue and the probability is for four more years of a temperate and stable government. Fijians and Indians work amicably together and prospects for cordial resolution of problems are good.

Economic Conditions

Fiji is dependent upon four staple industries—sugar, coconut oil, gold and timber—for its overseas trade. Sugar is the dominant commodity, accounting for two-thirds of exports and one-fifth of the Gross Domestic Product of $528.3 million (1975 in current dollars). Tourism is the second largest foreign exchange earner, about $70 million in 1977. Commodities produced for home consumption are rice, fruit, dairy products, and vegetables. In recent years, there has been a growth in the tourist industry and this has become a valuable asset to overcoming trade deficits.

Britain is Fiji's best customer, buying mostly sugar. Other nations importing Fiji products were Australia (gold and timber), the United States (sugar), New Zealand (sugar and fruit) and Canada (sugar). In 1975, the United States, Japan and Australia also became markets for a new export trade in veneers and plywood. The primary nations importing goods to Fiji are Australia, Britain (Australia holds a 2-to-1 edge over Britain), New Zealand, Japan, the United States, and Singapore in that order. Australia provides much of the foods and Britain provides machinery and manufactured foods. Exports from Japan are principally authomobiles and luxury goods. Future U.S. involvement could well center on transfer of appropriate technologies, especially alternative energy sources, and new aspects of agricultural production and marketing.

As is evident, the chronic balance of trade deficit is a constant Fijian problem. The record deficit through 1975 occurred in 1973 and was $A 100 million. The improvement in 1974 to a deficit of only a $A 94 million was due to the unusually high world commodity prices. The principal industry is the Fiji Sugar Corporation, a government company run on commercial lines. In recent years, U.S. imports of Fijian sugar have averaged 40,000 tons per year. Copra, Fiji's earliest industry, is its second leading export earner after sugar. Since 1970, no raw copra has been exported by Fiji, instead it has been used to make a range of coconut oil based foodstuffs for export.

Like other South Pacific nations, the Fijians have utilized a UN/FAO study of skipjack tuna in Fijian waters to develop a fleet of 10 fishing vessels which started in the service in 1976. Plans at that time call for the fleet to be operated and owned by two Japanese fishing companies which have previously operated a tuna freezing factory since 1964. Fiji Government has become a significant stockholder in the company as part of the upgrading of this industry. It is due to reach peak production of 10,000 tons per year by 1980, and skipjack tuna will be canned and sold both locally and overseas.

Another ambitious scheme concerns timbering and the Government had hoped that in the mid-1980's the export of pine logs, chips, and pulp might be worth $50 million (1976 dollars) and could even replace sugar as the principal export. A variety of smaller petroleum companies has been considering oil exploration work in recent years. A wide range of local industries produce agricultural equipment, building materials, and various consumer oriented items such as plastics, furniture, foodstuffs and clothing.

The expansion of the manufacturing sector is seen as necessary to help alleviate unemployment. The New Zealand Government has assisted in this undertaking with the specific islands' industrial development scheme aimed at encouraging New Zealand manufacturers to establish plants in Fiji. Recent Fijian developments include a shoe factory, feed mill, brewery, and a satellite communications station. Hydroelectric power and oil exploration projects are underway. Further, the opening of the upgraded Queen's Road (the main highway) linking the airport, the Capitol, and the port at Suva will complete a major infrastructure development program that should assist in these developments.

Fiji's development goals emphasize the improvement of life in rural areas and diversify their economic base. Per capita GDP income exceeds $1,000. Because Fiji has few mineral resources, foreign exchange earned from tourism and sugar must be used to support rural development efforts. In 1977, about $70 million was spent by 200,000 tourists. But, the net foreign exchange earnings are still marginal. Moreover, the growing dependence on imported food is aggravated by the migration of subsistence farmers. Agriculture is being diversified from sugar and copra into rice, cattle, timber, vegetables, and fruit. But, future development must expand food production if trade balances are to be created, thereby allowing economic development.

Fiji's development is buffeted by world affairs; world prices for their commodities—sugar, gold, and copra; investment and international confidence; tourism and overseas air rights. Fiji continues to be hampered by the lack of investment capital and a correspondingly high rate of unemployment.

Economic Assistance

Direct U.S. aid to Fiji is limited to the development of commercial agriculture projects encouraged by the YMCA project receiving $30,000 over three years (fiscal year 1977–79), and the determination of seismic hazards from a fault zone underlying the islands and help in minimizing negative impacts. The only other avenue of assistance is provided by the Peace Corps.

Peace Corps volunteer efforts are concentrated in education, agriculture, health training, forestry, governmental administration, and rural community development. Current projects number nine with educational programs (75 volunteers) and rural community development (32 volunteers) the largest. As of May 31, 1978, there were 171 volunteers residing within Fiji. Earlier there have been too many volunteers within Suva, the capitol, thereby creating an impression that local citizens were being denied permanent jobs in their own government because of the influx of Peace Corps personnel. Happily, this situation has been corrected and local resentments have dissipated.

APPENDIX

APPENDIX 1

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., July 10, 1978.

THE PRESIDENT,
THE WHITE HOUSE.

DEAR MR. PRESIDENT: It was a pleasure for myself and Assistant Secretary of State for East Asian and Pacific Affairs, Richard Holbrooke, to accept your kind invitation to lead the U.S. Delegation to the Solomon Islands Independence Ceremonies on July 7. We have just returned from the trip. In addition to the Solomon Islands, we visited Papua New Guinea and Fiji.

This region has a great reservoir of goodwill for the United States and there can be no doubt that the South Pacific is economically and politically important to the United States. This was my second visit to the region in the last 2 years and I was once again impressed with the importance of the area. I believe that we have an opportunity to exert a very positive influence on the region at very little cost. The world's largest and deepest ocean has enormous economic resources and the leaders of these emerging states can be an important political asset in the United Nations and other Third World forums.

The Delegation, including your six personal representatives, was greeted enthusastically. At every stop the Delegation was struck by the desire of the people of the region to maintain the best possible relations with the United States. This was dramatically evident in the Solomon Islands where memories of the U.S. gallantry during the Battle of Guadalcanal remain vivid to this day. The young and dynamic Prime Minister, Peter Kenilorea, was openly appreciative of the large high-level U.S. Delegation.

We took this opportunity to also have a series of meetings with Prime Minister Somare of Papua New Guinea, the Deputy Prime Minister of Fiji, the Australian Foreign Minister, and other island state leaders which confirmed our belief that U.S. involvement in the region was not merely accepted, but warmly welcomed. The recent measures taken by the East Asian Bureau of the State Department to upgrade our presence and representation, including the creation of an office of Pacific Island Affairs, were praised by the numerous island leaders we met.

Since World War II the United States has somewhat neglected the region. This was understandable when every island was controlled by either a NATO or ANZUS power, but this is no longer the case. The South Pacific is undergoing tremendous change as a number of new nations emerge, and we have a unique opportunity to help influence the direction of that change.

The Solomon Islands will be the 150th state to join the United Nations. As such, its vote in the General Assembly is equal to our own. I note this to underscore the point that cooperative relations with South Pacific states can help support Administration policies in a global context.

In Papua New Guinea the rapidly changing society which in some villages is moving from the Stone Age into the Space Age in the span of a few years, has put tremendous strain on their thin leadership cadre. The second level in government, politics and the media are eager for training and education possibilities in the United States. This offers us the chance to exert a positive influence in the largest country in the region.

The people of the Solomon Islands were obviously very impressed with the presence of two U.S. Navy frigates at the Independence Ceremonies. The officers and men of the *USS Holt* and the *USS Whipple* deserve commendations for their outstanding representation of our country during the Independence Day Ceremonies. Such ship visits offer excellent, low-cost means for maintaining our influence in the South Pacific. More importantly, they serve as visual proof of our commitment to remain a Pacific power, a commitment that has been questioned by some East Asian leaders. In addition to underscoring our security commitments, they serve as a symbol of U.S. interest and concern for the island states.

In closing, Dick Holbrooke and I would like to express our appreciation for the service rendered by your personal representatives:

Mr. David J. Abrams of Miami, Fla.;
Mr. Thomas H. Boggs, Jr. of Washington, D.C.;
Dr. Wallace N. Hyde of Asheville, N.C.;
Mr. Ronnie Lopez of Phoenix, Ariz.;
Mr. John P. McCormally of Burlington, Iowa;
Rev. I. Dequincey Newman of Columbia, S.C.;
Ambassador Mary S. Olmsted, Papua New Guinea; and
Maj. Gen. John K. Davis, USMC, Okinawa.

The Delegates, representing a cross section of America, demonstrated the highest diplomatic skills and made a deep impression on everyone we met. Sending such a high-level Delegation helped advance the Administration's foreign policy objectives in the South Pacific and laid the groundwork for cordial relations with this newest nation on earth.

With best regards.

Respectfully,

JOHN GLENN,
Leader of the Delegation.

THE WHITE HOUSE,
Washington, July 31, 1978.

Hon. JOHN H. GLENN,
U.S. Senate,
Washington, D.C.

TO SENATOR JOHN GLENN:

I would like to express my appreciation for the outstanding manner in which you and the delegation represented the United States at the ceremonies in Honiara celebrating the independence of the Solomon Islands.

Such visits do much more than satisfy the requirements of diplomatic protocol. The presence of a distinguished U.S. delegation reaffirmed to this youngest of nations the enduring bonds of friendship forged at Guadalcanal in World War II between the Solomons and the United States. It also demonstrated to their fellow South Pacific nations our growing interest in their region.

Your support for recent measures taken by the Department of State to increase our presence and representation in the South Pacific is most reassuring. My Administration shares your view that cooperation with the independent nations of the region supports our policies in a global context and contributes to world peace.

You may be assured that the Executive Branch will not ignore the reservoir of goodwill towards the United States that exists in the South Pacific. We will look to the Congress for support in pursuing a measured and sympathetic policy towards the region.

Sincerely,

JIMMY CARTER.

APPENDIX 2

SCHEDULE (Local Times)

Papua New Guinea

MONDAY, JULY 3

1300: Arrival
Afternoon: Calls on Prime Minister Somare, and the Commander of the PNG Defense Force, Brigadier Diro
Evening: Dinner at Ambassador Olmsted's residence

TUESDAY, JULY 4

0630: Depart for Airport
0730: Tours of Popondetta and the Summer Institute of Linguistics
Morning: Fly into Sila airstrip and hike to Numba Village
1500: Depart Sila airstrip for Popondetta
1520: Depart Popondetta for Port Moresby
1745: Fourth of July Reception at American Embassy

WEDNESDAY, JULY 5

0945: Senator Glenn and Assistant Secretary Holbrooke meet with U.S. Embassy staff
1030: Senator Glenn and Assistant Secretary Holbrooke meet with press representatives
1100: Senator Glenn and Assistant Secretary Holbrooke meet with American residents
1145: Tour of National Museum
1300: Departure for Honiara, Solomon Islands
1600: Arrive Henderson Field, Solomon Islands
1800: Heads of Delegation and wives presented to their Royal Highnesses and to Governor and Lady Allan at Government House
1830: Governor's reception at Government House

THURSDAY, JULY 6

1000: Depart for Tambea Village, visit to Vulu Cultural and Model Village
1530: Return to Honiara
1730: National display and fireworks at Lawson Tama
1900: Ambassador and Peace Corps Co-Directors host informal buffet for delegates, Peace Corps volunteers and staff
2130: Reception on board *USS Holt:* presentation of gift from the people of the United States (sterling silver facsimile of the Declaration of Independence) and the gift from President Carter (moon rock), presentation of U.S. Marine Corps gift; award of Bronze Star and Citation.

FRIDAY, JULY 7

0715: Ecumenical service at St. Barnabas Cathedral
0930: Independence Ceremony at Lawson Tama
1100: Meeting with Australian Foreign Minister, Andrew Peacock
1330: Depart for visit to Bloody Ridge, U.S. monument
1600: Meeting with Deputy Prime Minister of Fiji, Sir Ratu Penaia Ganilaw
1645: Meeting with Chief Minister of Tuvalu, Toalipi Lauti

Fiji

SATURDAY, JULY 8

1330: Arrival at Nadi, Fiji
1500: Attend opening of annual *Bula* Festival
1700: Press Conference
1900: Ambassador's reception

SUNDAY, JULY 9

1300: Departure

APPENDIX 3

South Pacific Regional Fisheries Organization

DRAFT CONVENTION

Preamble

The Contracting Parties to this Convention:

Recognizing the mutual interest of the coastal countries of the South, Central and Western Pacific Ocean in the living resources of that region;

Conscious that it is essential to increase knowledge of the marine ecosystem and in particular of the highly migratory species of the region;

Recognizing that effective regional cooperation in the conservation, utilization and management of the living resources of the waters of the region is necessary so as to secure maximum benefits for their peoples and for the region as a whole;

Recognizing the value of coordination and harmonization of fisheries policies;

Bearing in mind recent developments in the law of the sea, relating to the conservation and management of living marine resources and in particular of highly migratory species;

Noting the Declaration on Law of the Sea and a Regional Fisheries Agency adopted at the 8th South Pacific Forum held in Port Moresby in August 1977 and the South Pacific Conference commendation of the Declaration on 30 September 1977;

Desiring to make provision for assistance to be extended to the coastal countries of the region, and in particular to the developing countries, in formulating and implementing policy aimed at securing maximum benefits for their peoples from the conservation, utilization and management of the living resources of the waters under their jurisdictions and the control of the exploitation of those resources;

Desiring also to facilitate the collection and dissemination of relevant scientific and economic information about the living resources of the waters of the region to promote their more effective conservation, utilization and management; and

Having decided to establish an organization through which these objectives can be furthered;

Have agreed as follows:

Article I

1. This Convention shall apply to those waters of the South, Central and Western Pacific Ocean (herein referred to as "the region"), seaward of the territorial seas, in which Parties exercise jurisdiction over living marine resources in accordance with international law, and beyond those waters to those highly migratory species as determined in accordance with paragraph 2 of this Article.

2. The Conference shall determine from time to time which highly migratory species shall come within the competence of the Organization. In making such determinations, the Conference shall take into account other international arrangements dealing with highly migratory species.

3. A Party may declare at any time that waters within its jurisdiction that are not within the waters covered by paragraph 1 of this Article shall come within the scope of the Convention.

Article II

1. Parties to this Convention who assert their sovereign right to explore and exploit, conserve and manage the living resources of their 200-mile zone, including highly migratory species occurring therein, shall by instrument in writing notify the Director of the Organization to that effect.

2. The Parties shall take into account the instruments deposited with the Director pursuant to paragraph 1 of this Article when considering the work of the Organization. The Parties shall cooperate in the work of the Organization and shall endeavor to coordinate their positions to ensure that the provisions of Article VIII, paragraph 2, shall not be given effect. The Parties shall otherwise

conduct their fishery relations in a reasonable manner in accordance with international law and Article 64 of the Informal Composite Negotiating Text of the Third United Nations Conference on the Law of the Sea.

3. A notification by a Party under paragraph 1 of this Article shall be recorded in a Schedule which shall form part of this Convention.

Article III

1. There is hereby established the South Pacific Regional Fisheries Organization (herein referred to as "the Organization").

2. The aim of the Organization shall be to facilitate, promote and coordinate cooperation and mutual assistance amongst coastal States in the region in fisheries matters.

3. For this purpose, the Organization shall consist of a Conference of Parties (herein referred to as "the Conference") and an Agency (herein referred to as "the Agency") which shall be responsible to the Conference in the exercise of its functions.

4. The working languages of the Organization shall be English and French.

Article IV

1. The permanent seat of the Organization shall be at Honiara, Solomon Islands.

2. Until the Conference desides otherwise, the Agency shall have its temporary seat at Cronulla, New South Wales, Australia.

Article V

1. The Conference shall consist of one Representative of each of the Parties, and of territories designated pursuant to paragraph 2 of Article XV (herein referred to as "designated territories"). Experts and advisers may accompany the Representative. Two-thirds of the Representatives shall constitute a quorum.

2. The regional organizations referred to by name in Article XI may participate, in an observer capacity, in the work of the Conference. The Conference may invite other observers to attend its meetings.

3. The Conference shall hold a regular session at least once every year. A special session shall be held at any time at the request of any Party, provided that such request is supported by at least three other Parties.

4. All decisions of the Conference shall be reached by consensus.

5. The Conference shall adopt such rules of procedure and other internal administrative regulations as are necessary to carry out the functions of the Organization.

6. (a) The Conference may establish an Advisory Committee on Highly Migratory Species to which representatives of the Parties, and of designated territories and representatives of States whose nationals fish for highly migratory species in the region may be invited by the Conference to become members;

(b) The functions of the Advisory Committee shall be such as the Conference may determine, and may include, if necessary, the study of incidental catches of living resources, including marine mammals, in fisheries conducted for tuna in the waters to which this Convention applies.

Article VI

1. The Conference shall appoint a Director of the Agency on such conditions as it may determine.

2. The other staff of the Agency shall be appointed by the Director in accordance with such rules and on such conditions as it may determine.

3. The Director shall submit to the Conference for its consideration and approval:

i. an annual report of the activities of the Agency for the preceding year;

ii. any proposals prepared by the Agency under Article VII of this Convention; and

iii. a draft work programme and budget for the activities of the Agency for the succeeding year.

Article VII

1. Subject to direction by the Conference, the Agency shall undertake the following functions:

(a) the study of the living resources of the waters to which this Convention applies, with particular reference to highly migatory species, including the collec-

tion, analysis and evaluation of relevant statistical, biological and economic information;

(b) the provision, on request, to any Party or designated territory of—

i. technical advice and information;

ii. assistance in its fisheries negotiations;

iii. assistance in the development and implementation of its fisheries policies; and

iv. assistance in the issue of licenses, the collection of fees and in matters pertaining to surveillance and enforcement.

(c) the preparation of proposals for consideration by the Conference on regional cooperation for the effective conservation and utilization of the living resources of the waters to which this Convention applies, based on the best scientific evidence available and aimed at securing maximum benefits from those resources for the Parties, their peoples and the region as a whole;

(d) the facilitation, without detriment to the soverign rights of coastal countries, of a regional approach to management and to licensing, including agreement on generally applicable policies and measures, pooling of information and standardization of procedures and forms;

(e) the facilitation of collaboration among coastal countries and of cooperation by others in surveillance and enforcement;

(f) the preparation of proposals regarding data collection, record keeping, catch, gear and area restrictions, and such other matters as the Conference may direct;

(g) such other functions giving effect to the objectives set out in the Preamble to this Convention as the Conference may decide.

2. In carrying out these functions, the Agency shall, to the extent possible, use the technical and scientific services of, and information from, official agencies of the Parties and designated territories and interested international organizations. The Agency may also, where necessary, use other services and information.

Article VIII

1. The Conference may adopt recommendations relating to the conservation, utilization and management of the living resources of the waters to which this Convention applies. Such recommendations shall enter into force on the expiration of ninety days from the date of adoption or on such later date as the Conference may decide.

2. Any Party may, within ninety days of the adoption of a recommendation, lodge an objection to it.

3. Where a Party gives notice to the Director, not less than thirty days before a meeting of the Conference calling for the review of any recommendation, that Party may, within ninety days of the conclusion of the meeting, lodge an objection to that recommendation.

4. Where an objection is lodged within the ninety-day period referred to in paragraph 2 or 3 of this Article, any other Party may lodge an objection at any time within thirty days of the expiry of that period.

5. A Party which lodges an objection which is not withdrawn shall not be under any obligation to give effect to the recommendation to which such objection relates.

6. Subject to the provisions of this Article, the Parties shall give effect to any recommendation adopted by the Conference under this Article from the date of its entry into force.

7. All recommendations adopted by the Conference under this Article shall, while remaining in force, be contained in a Schedule which shall form part of this Convention.

8. The Director shall notify all Parties and designated territories promptly of recommendations adopted by the Conference, of each objection and of each withdrawal of an objection, of any notice under paragraph 3 of this Article and of the entry into force of any recommendation.

9. If a recommendation of the Conference under this Article is in force on the day that this Convention enters into force in respect of a new Party, that Party may lodge an objection to the recommendation within ninety days of that date.

Article IX

1. Until the Conference decides otherwise, the budget of the Agency shall be prepared annually by the Director. The budget shall be submitted to the Conference for its consideration and approval. The Conference may revise the budget, if necessary, at any special or regular session.

2. For the first year of the operations of the Organization, the budget shall be financed by voluntary contributions.

3. Thereafter, the budget shall be financed wholly or in part, as may be determined by the Conference, by contributions according to a formula agreed to by the Conference during the first year of the operation of the Organization. The formula may be varied from time to time by the Conference.

4. The Organization may accept from any private or public sources financial and other contributions for the furtherance of its objectives.

5. In advance of approval of the budget of the Agency, the Conference may authorize expenditure up to a limit not exceeding two-thirds of the previous year's approved budgetary expenditure.

6. The Conference shall adopt financial regulations for the administration of the finances of the Organization.

Article X

1. The Organization shall have legal personality.

2. The Organization shall in particular have capacity to contract, to acquire and dispose of movable and immovable property, and to sue and be sued.

3. The Organization and its staff shall, in the State in which the Organization has its seat, enjoy such privileges and immunities as are agreed by the Organization and that State to be necessary for the proper discharge of the functions of the Organization.

4. The Organization may conclude an agreement relating to matters referred to in paragraph 3 of this Article with any other Party, subject to the approval of the Conference.

Article XI

The Organization shall seek to establish and maintain working arrangements with the South Pacific Forum and the South Pacific Conference and other regional and international organizations which have objectives relating to those of the Organization.

Article XII

The Parties and designated territories shall use their best endeavors to collect and furnish, on the request of the Agency, any statistical and other information and Agency may need for the purposes of this Convention.

Article XIII

1. Each Party, or, where appropriate, each designated territory, shall take relevant measures in areas under its jurisdiction and beyond those areas, to the extent permitted under its laws and regulations, to its nationals and vessels, to ensure observance of the provisions of this Convention.

2. The Parties and designated territories undertake to cooperate with each other with a view to the adoption of effective measures to ensure the implementation of this Convention and the achievement of its objectives.

Article XIV

1. If any dispute arises between the Parties relating to the interpretation of this Convention, the Parties shall endeavor to settle it by negotiation between themselves. This negotiation shall begin within sixty days after receipt of a request by one Party from another.

2. Any dispute which has not been settled in accordance with paragraph 1 of this Article may be referred, at the request of any Party to the dispute, to the Conference.

3. After allowing each of the Parties to the dispute an opportunity to be heard and, if necessary, adopting any appropriate means to investigate the dispute, the Conference may make recommendations to the Parties to the dispute concerning its settlement.

Article XV

1. This Convention shall be open for signature by:

(a) any member of the South Pacific Forum;

(b) any independent State which, whether wholly or in part, is situated in, or which is internationally responsible for any territory which, whether wholly or in part, is situated in the Pacific Ocean within the area south of 15 degrees North,

west of 100 degrees West, north of 35 degrees South and east of 125 degrees East;

(c) any territory situated in the area described in paragraph 1(b) of this Article which has been authorized to sign the Convention and to assume rights and obligations under it by the Government of the State which is internationally responsible for it;

(d) any independent State which shares a common interest in the conservation, utilization or management of the living resources of the region and whose application to become a Party is supported by two-thirds of the Parties to the Convention.

2. (a) Any independent State which signs the Convention may, at the time of signature, declare to which of its territories which are situated within the area referred to in paragraph 1(b) and which are not entitled to sign the Convention in their own right this Convention shall apply;

(b) The scope of any such Declaration made on signature may, at any time thereafter, be extended, by a further declaration, to any eligible territory not included within the scope of the original declaration.

3. This Convention is subject to ratification, acceptance or approval.

4. Instruments of ratification, acceptance or approval shall be deposited with the South Pacific Bureau for Economic Cooperation (herein referred to as "the Depositary").

5. Each State or territory which signs and subsequently ratifies, accepts or approves this Convention shall have the status of a Party.

Article XVI

Reservations to this Convention shall not be permitted.

Article XVII

1. This Convention shall enter into force on the thirtieth day following the deposit of the sixth instrument of ratification, acceptance or approval.

2. After the entry into force of this Convention in accordance with paragraph 1 of this Article, the Convention shall enter into force for each State or territory which deposits an instrument of ratification, acceptance or approval on the thirtieth day following the date on which such instrument is received by the Depositary.

Article XVIII

1. Any Party may propose amendments to this Convention. Such amendments shall be referred to the Conference for approval at a regular or special session.

2. Proposals for the amendment of the Convention, after adoption by the Conference, shall be communicated to the Depositary who shall inform the Parties thereof. Each Party which accepts an amendment shall notify the Depositary thereof.

3. Any amendment shall enter into force for each Party accepting the amendment on the day after its acceptance by three-fourths of the Parties and thereafter for each remaining Party on the day on which the Depositary receives notification of such acceptance.

4. Any State or territory which becomes a Party after a proposed amendment to this Convention has been adopted by the Conference shall be bound by the Convention as amended when the said amendment comes into force.

Article XIX

At any time after three years from the date of entry into force of this Convention, any Party may withdraw from the Convention by giving written notification of withdrawal. Withdrawal shall take effect on December thirty-first of the calendar year following the year in which the Depositary received the notification of withdrawal.

Article XX

1. The Depositary shall inform States and territorities which have signed this Convention as well as designated territories of—

(a) other signatories to this Convention and of the deposit of instruments of ratification, acceptance or approval in accordance with Article XV and of declarations made pursuant to paragraph 2 of that Article;

(b) the date of entry into force of this Convention in accordance with paragraph 1 of Article XVII.

2. The Depositary shall inform all Parties of—

(a) proposals for the amendment of this Convention which have been adopted by the Conference under Article XVIII, notification of acceptance of such amendments and the entry into force of such amendments;

(b) notification of withdrawal made in accordance with Article XIX.

3. The original of this Convention, of which the English and French texts shall be equally authentic, shall be deposited with the Depositary who shall send certified copies thereof to signatories and designated territories which request them.

4. The Depositary shall transmit certified copies of this Convention in the English and French texts to the Secretary-General of the United Nations.

In witness whereof the undersigned plenipotentiaries, being duly authorized thereto by their respective Governments, have signed the present Convention.

Done at , this day of one thousand nine hundred and seventy-eight.

APPENDIX 4

STATEMENT BY SENATOR JOHN GLENN

Thank you Ambassador Olmsted.

Mr. Prime Minister, distinguished guests, fellow Americans:

I am delighted to be here with you to celebrate the birth of our Nation, 202 years ago today. There is a strong tie between our two Nations. Despite a distance of about 15,000 kilometers between our capitals, despite differing political and economic problems, our two Nations share a love of liberty and personal freedom. That tie is starkly evident in the campaigns of World War II and our mutual concern with events in southern Africa.

Tomorrow our delegation will journey to the Solomon Islands to join them in celebrating their independence as Papua New Guinea did 3 years ago. There is thus emerging a Pacific community of nations out of the strife of warfare and the assertion of national independence. With the advent of peace in the Pacific, we share together an opportunity to turn our energies to development and the strengthening of economic and political ties. A peaceful and prosperous Pacific is of mutual benefit.

The United States is inescapably a Pacific Nation. The Aleutian Islands in Alaska extend as far west into the Pacific as New Zealand does. Guam, where the daily sun first shines on American territory, is much closer to Port Moresby than to San Francisco. Most significantly, our trade with Pacific and Asian nations is about $60 billion annually and has exceeded European trade since 1972.

The United States, therefore, supports the internally directed growth of the Pacific community. We joined this quest with you in 1947 in the South Pacific Commission and have continued through active participation in the Commission, the Asian Development Bank, educational and cultural exchanges, and financial support of the South Pacific Economic Commission. I am, therefore, pleased to note Papua New Guinea's decision to become a fully participating partner in the East-West Center in Honolulu.

One of the important but neglected areas of international relations is cultural exchange. Because our histories are so different and the Pacific so vast, greater interaction between the United States and Pacific island nations is desirable. We need these joint exposures to sustain our relations. America is not simply a place of material wealth, military power and scientific prowess. America is primarily a dynamic and creative society that has allowed the average citizen to evolve to ever greater freedom and prosperity. We all, therefore, share a common desire for peace and human progress.

Equally significant is the recent decision, initiated by Secretary Holbrooke, to recognize the growing importance of the Pacific Islands by creating a separate desk to deal with these states. Thus, we have begun to recognize this vibrant, expanding Pacific community.

To nurture this idea of a Pacific community, all nations must avoid selfish and shortsighted policies. The United States does not seek to

dominate the region. Rather, my country is eager to work with Papua New Guinea and other states to consummate a mutually beneficial association.

The South Pacific extends over 30 million square kilometers and contains 4.5 million people. Its "Pacific way" is illustrated by the resolution of the Torres Strait questions between Papua New Guinea and Australia, and the recently completed draft agreement for the South Pacific Regional Fisheries Agency. "Unity in Diversity," a necessity in this multilingual land and the skillful leadership of Prime Minister Somare are testimony to the political wisdom of this new nation. Papua New Guinea has much to offer other Pacific states and is indeed the bridge between southeast Asia and the Pacific.

It would be a tragedy of incalculable proportions if the great potential and opportunities we share in the Pacific were to be lost. The task of America today must be to help others repeat our economic success in a free and peaceful world. One of the truly encouraging trends is the realization and determination of Pacific island nations like Papua New Guinea that development—to be successful—must be a self-sustaining process. To be sure, America can do more. I am personally convinced that our investors still do not understand the economic potential of these nations. This beautiful land in which we celebrate American independence today is a storehouse of treasure in a resource-hungry world. We cannot neglect the Pacific region; we must continue to seek positive cooperation and peaceful evolution.

My wife and I are delighted to visit once again this friendly and charming nation. Our visit to Numba today has only whetted my appetite for another opportunity to learn more about this nation.

Prime Minister Somare has just proposed a toast to President Carter. Ambassador Olmsted has honored the Queen. Please join me in a toast to the people of Papua New Guinea and the United States.

APPENDIX 5

Chinese Views on the South Pacific

The Peoples Republic of China has shown increasing interest in the South Pacific. This interest clearly reflects their concern with the Soviet Union and their concept of "three world countries" in foreign policy. The extract below is from *Peking Review*, number 38, September 22, 1978:

"Struggle to Defend Maritime Sovereignty

(By Li Hsin)

"At present, the national independence movement in the South Pacific region is making new progress. Following the independence won by Western Samoa, Nauru, Fiji, Tonga and Papua New Guinea, the Solomon Islands officially proclaimed its independence on July 7 this year. There are island countries which are fighting for their independence or internal self-government. All these countries are waging a struggle in defence of their maritime sovereignty.

200-MILE EXCLUSIVE ECONOMIC ZONES

"The South Pacific region is rich in fishery resources but in the past plunder by countries outside the region was rife. For example, at least 70 percent of the annual catch from the South Pacific which is worth about 1,000 million U.S. dollars at retail price is taken in, processed and sold by countries outside this area, while the countries within this area are forced to use their limited foreign exchange to import canned fish from the sellers. To defend their national resources and economic rights and interests, the developing countries of the South Pacific region have decided to introduce the 200-mile exclusive economic zone so as to bring the marine resources around their territories under their own control.

"Papua New Guinea last April adopted this measure to defend its maritime sovereignty. Fiji, Western Samoa, Tonga and Nauru will follow suit within this year. A number of other island countries have passed legislation related to this at their Assemblies although the date for taking measures has not yet been set. Thus, the South Pacific countries have ushered in the period of the 200-mile exclusive economic zone. This constitutes a forceful blow at the superpowers which obstinately cling to maritime hegemonism.

"These island countries are also actively promoting regional co-operation. With the support of Australia and New Zealand, the South Pacific Forum was founded in August 1971; its permanent organization "The South Pacific Bureau for Economic Co-operation" was set up in 1973 to co-ordinate the activities of its member states and strive to establish a South Pacific Common Market step by step. This ten-member regional organization held a conference in August last year in Papua New Guinea at which the participants unanimously adopted the resolution on setting up the 200-mile exclusive economic zone in

1978 and decided to form a "Regional Fisheries Agency" in charge of scientific research on fishery, exploiting resources, working out and co-ordinating policies and carrying them out under its surveillance.

GUARD AGAINST SOVIET INFILTRATION

"The South Pacific countries are determined not only to safeguard their marine resources but also to raise their vigilance against Soviet infiltration and expansion. In the past few years, the South Pacific region has become a new area of contention for hegemony between the Soviet Union and the United States. The latter which has both military bases and huge investments there wants to protect its vested interests, while the former uses every means to infiltrate this region under the signboards of "champion of national liberation" and "friendly co-operation." So-called Soviet "yachts," and "scientific research ships" and "fishing vessels" freely operate in this area; some of the "yachts" intrude into the territorial waters of Tuvalu, a small country with a population of only several thousand. To get a foothold in the area, the Soviet Union has since 1975 sent a vice-minister, a commercial attache and a number of other people concerned to visit Fiji, Western Samoa, Tonga and other island countries, and offered them "aid" in a bid for the privilege of establishing Soviet fishing bases. Such Soviet activities have drawn the attention of the South Pacific countries and heightened their vigilance.

RELATIONS WITH SECOND WORLD COUNTRIES

"The developing countries of the South Pacific region have strengthened their unity with second world countries in the struggle against hegemonism. Australia and New Zealand belong to the second world and their fishery resources are also being plundered by the superpowers. For example, in the territorial waters of New Zealand, Soviet catch amounts to 120,000 tons, while that of New Zealand itself reaches only about 80,000 tons. Half of the fishery products annually consumed in Australia have to be imported. The common need to defend fish resources has led to the united action to set up 200-mile economic zones in the region. Meanwhile, having decided to establish the fishing zones, a number of the South Pacific countries have used their "fishing rights" to seek technical aid from Japan, West Germany and other countries which belong to the second world, and have expanded their relations with these countries. Western Samoa accepted aid from Japan but rejected Soviet "aid"; Tonga accepted aid from West Germany but turned down the Soviet Union's offer to help build a port and an airport in exchange for a "fishing base." The economic aid of Japan and West Germany has to a certain extent contained the infiltration of the Soviet Union in the South Pacific. The developing countries of the region hope to strengthen ties and co-operation with second world countries on a more equitable basis. The foundation for unity consists in their common interests in the struggle against hegemonism.

"The South Pacific island countries and their people are emerging as a new force in the struggle against hegemonism around the world."

APPENDIX 6

[From the Washington Post, Thursday, August 31, 1978]

Sino-Soviet Rivalry Finds New Forum: Isles of S. Pacific

(By Charles Hillinger)

APIA, Western Samoa—The Chinese diplomat ran up to the gate shouting, "No! No! Don't take picture. This house only temporary embassy."

He slammed the gate, adding, "Chinese build big new embassy soon in Western Samoa. You come back, get picture of new embassy. Chinese government don't want picture of this temporary embassy in American newspapers."

In Western Samoa, a South Pacific island nation with a population of 150,000, there are only two embassies, China's and New Zealand's.

Western Samoa's closest ties are with New Zealand, which administered these South Sea islands as a trust territory until Western Samoa was granted independence in 1962.

What is China doing in this tiny out-of-the way country?

"It is not strange for China to have an embassy in this small nation," diplomat Chen Wen-chao said in an interview that preceded the incident at the gate.

"China is building relationships with all the emerging island nations throughout the Pacific. Already we have an embassy in Fiji and here in Western Samoa. Others are planned. China wants to help develop these Pacific island countries, to establish trade and cultural links in this part of the world."

In the past couple of years Moscow and Peking have been devoting considerable attention to the islands of the South Pacific in a part of the world where neither has had contacts.

Why the Chinese diplomat thought a photograph of the embassy would be embarrassing to his government is difficult to understand. The rented house used by the Chinese since they established a diplomatic post here 18 months ago is one of the more substantial in Apia.

There are 11 Chinese diplomats here. Prime Minister Tupuola Efi describes them as low-key. "They have come to provide Western Samoa with technical aid," he told an interviewer, "to establish friendly relations with no strings attached."

A Chinese acrobatic team was flown in for last year's Independence Day celebrations. This year a Chinese trade fair was put on at a local Catholic church hall.

Soviet representatives have come out to talk about establishing a diplomatic post. They offered to build Western Samoa a new international airport in exchange for permission to establish a major fishing base here, but they have not been given a firm answer.

"The two big communist powers have taken a sudden interest in the South Pacific, the last international frontier where nationhood is being asserted and new island states are rising," said John P. Condon, the U.S. ambassador to Fiji.

Fiji's prime minister Ratu Sir Kamisese Mara, complained recently that the Soviet Union "has been recruiting Fijians for training and education in Russia without notifying the government of Fiji."

The Soviets have expressed interest in setting up an embassy in Suva, Fiji, but the prime minister told reporters he was not eager to have them.

"I am pretty scared to have the Russians establishing their embassy here, and I say that quite frankly," he said.

Ratu Sir Kamisese, who returned recently from a tour of China, indicated that he did not have the same fears about the Chinese.

"The Chinese are straight and aboveboard," he said.

China established an embassy in Fiji two years ago.

According to John Carter, 66, editor of the Pacific Islands Monthly, published in Sydney, Australia, the Soviets and the Chinese are "tremendously interested in setting up diplomatic bases in the South Pacific."

"But so far China has had all the diplomatic successes," he said. "The Soviets haven't been able to win approval to set up their diplomatic posts."

Soviet ships are becoming a common sight in the South Seas. Soviet fishing fleets are moving into areas of the Pacific they never visited before. Soviet oceanographic research vessels are putting in to pick up provisions, and show the flag, and Soviet cruise ships are calling at a growing number of ports.

"Our remote little nation isn't on any of the regular shipping lanes," Premier Robert R. Rex of Niue said in a recent interview on Alofi, capital of the 13-by-11-mile country. "We see a New Zealand freighter once every one or two months. That's it. But lo and behold, we woke up one morning not long ago and there laying off Alofi was this Russian scientific ship."

Rex said he quickly rounded up the leaders of Niue, population 3,800, and told them to spread the word throughout the island, "to tell our people to be careful not to tell the Russians too much about our country when they come ashore."

"Well, the Russians didn't stay but a few hours," he added. "The weather was stormy, the sea was kicking up something fierce, so they pulled up anchor and left."

Australian newspapers have been carrying ads this summer about South Sea cruises on the Soviet passenger liner Felix Dzerjinsky.

For $500 to $800 the Australians are flown to Fiji, where they board the cruise ship. It stops at Suva, Lautoka and Levuka in Fiji, Afia in Western Samoa and Pago Pago in American Samoa. The Felix Dzerjinsky also has sailings scheduled to New Caledonia, the New Hebrides, Fiji, Brisbane and Sydney.

In the New Hebrides islands, members of the leftist opposition People's Provisional Government address one another as comrade. Members of their congress are known as commissars.

Tonga, a South Sea kingdom with 100,000 people has diplomatic relations with the Soviet Union, but not with China. It is the only small island nation in the South Seas with a Taiwanese Embassy.

"Mainland China has sounded us out about establishing an embassy here, but our little country has a strong anticommunist policy and we have not acted on China's approach to us," Baron Vaea, 56, Tonga's minister for commerce, industry and labor, said.

"Tonga permits people from all over the world into the country without a visa, except residents of communist countries," he added.

"We did establish diplomatic relations with the U.S.S.R., but our king, who is a very smart man, did that with the stipulation the Russians would not establish a diplomatic post in Tonga." The Russian ambassador to Tonga is based in Wellington, New Zealand.

Moscow also offered to construct an international airport in Tonga—the same offer it made in Western Samoa—if Tonga would permit the establishment of a Soviet fishing base. The king of Tonga turned the Soviets down.

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