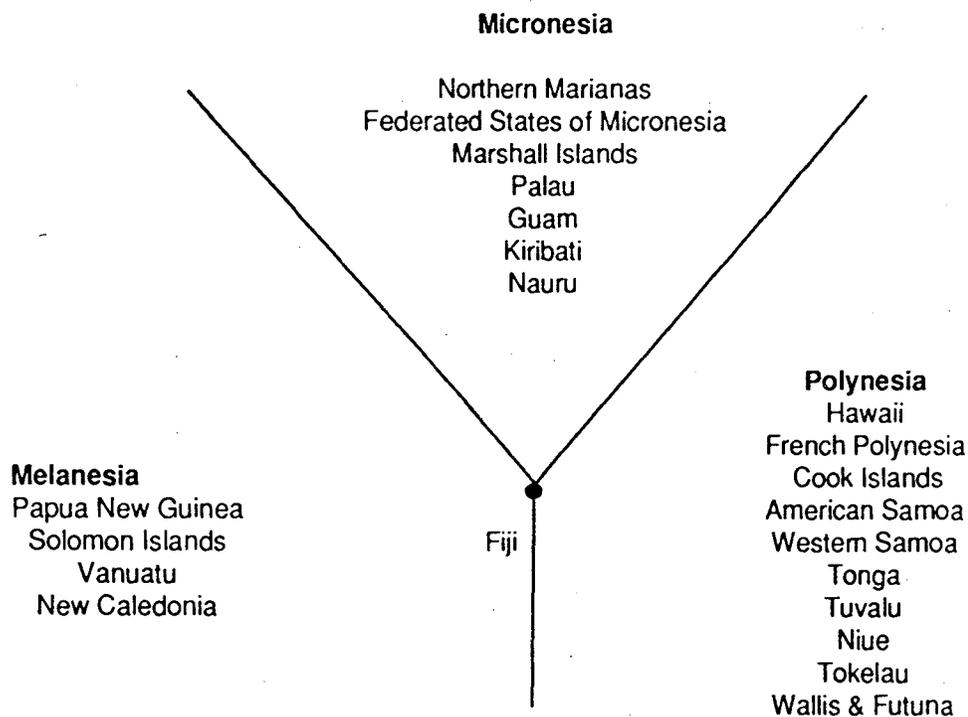


CHAPTER I

INTRODUCTION

Southwest Pacific lies between the Tropic of Cancer and the Tropic of Capricorn. Out of this area of about 25 million square miles of Ocean, only 3 per cent comprises land¹. Geographically, the region is divided into three parts based on physical, ethnic and cultural differences - Melanesia, Micronesia, and Polynesia². The geographic diversity of the region is matched by the diversity of its peoples and their cultures. The peoples of the South Pacific are classified ethnically and culturally into three main cultural groupings, illustrated diagrammatically in the figure below:

Ethnic and cultural classifications



¹ Hartley C Grattan, The Southwest Pacific to 1900: Australia, New Zealand, The islands of Antarctica (Michigan, 1963), p.25.

² *ibid*, p.26.

The segment mostly north of the equator and west of the date line was called 'Micronesia' because it comprises mainly of tiny islands. The area south of the equator and west of the date line has been designated "Melanesia" (originally "Lemanesia") the land of the black people³. Superimposed on these is the Polynesian Triangle, with the apex in Hawaii at the Tropic of Cancer and one of its sides intersecting both equator and date line on extending southwest to the Maoris of New Zealand below the Tropic of Capricorn. The base of the triangle then stretched across the southern hemisphere to Easter Island, a speck of land 3600 Km. from the mainland, of Chile. By completing the triangle and returning to the point of origin, all of the islanders of Polynesian culture will have been covered except for a few minor ones in Micronesia and Melanesia.⁴ However, for the sake of convenience, one could say that Melanesia includes Papua New Guinea, New Caledonia, New Hebrides (Vanuatu) upto Fiji while Polynesia spreads out from Tuvalu (Ellice), Tonga, Samoa, Cook islands, Society Islands upto the remote Easter Islands; Micronesia includes the US Trust territory, Marshall, Mariana and Caroline islands upto the groups of Gilbert islands and Nauru and part of Solomon islands.⁵ Linguistically, each territory has its own language, varying from Pidgin, English to Fijian and from Tongan to Maori. Most of them are, however, only spoken languages.⁶

The trifurcated demarcation described above is not quite justified as the people of respective areas have something in common besides having many geographical similarities. High volcanic islands or atolls are not confined to any single region. In fact, all the islands have exploitable minerals. Nevertheless, the trifurcation of the region persists and is largely accepted by the scholars all over the world. What is also accepted and recognised more and more a part and most significant part of the region is Australia and New Zealand. Though culturally different from the Pacific people, these two countries have played

³ R J May and Hank Nelson, Melanesia: Beyond Diversity vol. I (Canberra, 1982), p.4.

⁴ Pacific Islands Yearbook, (Sydney, 1989), p.67.

⁵ Harold Brookfield, Pacific in Transition: Geographical Perspectives on Adaptation and Change (London, 1973), p.67.

⁶ May and Nelson, n.3, pp.7-10. Also see for details "Early Oceanic Linguistic Pre-History" by M.D. Ross in The Journal of Pacific History vol.XXIV, 2 October 1989.

a significant role in chartering the course of events in the region.⁷ Perhaps that is why most of the literature on Southwest Pacific refer it as 'Australasia', signifying the political and economic predominance of Australia.⁸ Any study of contemporary Southwest Pacific would be incomplete without reference to Australia and New Zealand. Therefore, it would not be wrong to include them into the region of Southwest Pacific. In fact, Southwest Pacific owes its importance in international politics to these two countries. The reason is not their size. Australia and New Zealand after the early withdrawal of the Spaniards, the Dutch and the Germans, dictated the politics of the region. The British were latecomers, but stayed long to colonise and administer indirectly from Australia and New Zealand. The Spanish colonial interests were mainly confined to the island of Guam and somewhat incidently, the rest of the Mariana archipelago in the North Pacific. These were primarily used as a port of call en route to the Philippines.

By the 19th century, the entire Pacific Basin was divided among the great powers of Europe and the United States. Britain established its foothold in all the three regions of Pacific as did Germany; France never secured a part of Micronesia and the United States never expressed colonial ambitions in Melanesia. Thus the century ended with the USSR having failed to establish a foothold and Spain withdrawing from the region⁹.

Germans were quite late in arriving the Southwest Pacific. Their stay was also shortlived. It gained a vast foothold in New Guinea. About the sametime, they declared a protectorate over the Marshall islands in Micronesia and a few years later extended it below the equator to include the phosphate rich island of Nauru. Gradually, they acquired considerable foothold in the whole of the Pacific. However, following its defeat in the World War I, Germany lost its entire Pacific domain. In the League of Nations, Western Samoa went to New Zealand, Micronesia (excluding Guam) to Japan, German New Guinea to Australia and Nauru jointly to Australia, Great Britain and New Zealand.¹⁰ With the conclusion of World

⁷ Statement by the Prime Minister to Parliament on 23 August 1988.

⁸ The Far East and Australasia London 1987, Preface.

⁹ Grattan. n.1, p.39.

¹⁰ Ron Crocombe, The South Pacific: An Introduction (Auckland, 1983), p.20.

War II and the creation of the United Nations Trusteeship system, the United States succeeded Japan in Micronesia. The United States was the last of the great powers to acquire colonies in Southwest Pacific and unlike all of those with Pacific possessions after World War II, has yet to grant complete independence to the inhabitants of any of them. In the Spanish - American war, US took control of Guam also.¹¹

Post - World War II developments:

At the end of World War II, the United States had gained control of much of the Pacific, having fought a bitter war, stepping from islands towards Japan where in August 1945 two atomic bombs were dropped. In Europe, the US had to share military control with the allies; in East Asia and the Pacific, it offered nominal power-sharing to the allies. However, it was determined to see the area under its effective control. The United States has fought two wars in Asia since the end of the second World War and deployed a great many resources to the countries of the East Asian coast and the Pacific islands. The greatest concentration of American resources in the Pacific region, calculated in terms of military equipment and troops, has been in South Korea, Japan and the Philippines, but there are numerous other bases and facilities throughout the region some of which, like those in Australia and the Philippines, are strategically vital.¹² Forward deployment is reliant to a great extent on friendly host countries with whom there are both military and trade links.¹³ The United States foreign and defense policy in the region, therefore, has been to ensure that the countries remain part of the western world, both politically and economically and to show massive military strength to deter any would be aggressor; this was a policy of strategic denial.¹⁴ Australia, and New Zealand have been the main champions of the American policy throughout post war years. In particular, Australia

¹¹ *ibid.*, p.45.

¹² Malcolm McIntosh, Arms Across the Pacific: Security and Trade Issues (London, 1987), p.36.

¹³ W.E. Simmons, "Command and Control in the Pacific", Journal of Defence and Diplomacy, 1986, p.17.

¹⁴ McIntosh. n.12, p.38.

has played a significant role in the central balance of power in the South Pacific through the US installations at Pine Gap, Nurrungar and Northwest Cape. Similarly, successive governments in New Zealand have integrated New Zealand's foreign policy closely with that of the United States. New Zealand's foreign policy in these years can be largely explained in terms of a "gradual evolution from dependence on the security offered by British imperial policies to a dual dependence on the United States as the effective guarantor of New Zealand's strategic interests and a continued reliance on the United Kingdom for trade".¹⁵

These culminated in signing of the ANZUS pact in 1951 between Australia, New Zealand and the US, which provided security guarantee under any external aggression.¹⁶ Indeed, the ANZUS was part of the grand US design to protect the western interests in the region against any communist threat from any corner of Asia.¹⁷ Thus, for more than four decades, the United States has been in a position of almost complete dominance in the Southwest Pacific. However, that enviable position of US is no longer there. The post - 1945 security order built around nuclear deterrence appears increasingly fragile now. In the first place, the numbers and types of nuclear weapons deployed have advanced far beyond deterrence requirements. Secondly, the logic of basing an international security system on fear is increasingly questioned.¹⁸ The tasks before peace movements and governments in Southwest Pacific is now to build positive relationships among nations based on co-operation and not the threat of mutual annihilation.¹⁹ Concept of common security and interdependence must come to replace the false security of the arms race.

¹⁵ Kevin P Clements, "New Zealand's Relations with the UK, the US and the Pacific", Alternatives, vol.10, no.1, 1985, p.592.

¹⁶ Mclachlan Campbell, "ANZUS Treaty: The Treaty Reappraised", New Zealand Law Journal , August 1985, p.271.

¹⁷ *ibid.*

¹⁸ Helen Clark, "A New Zealand Perspective on Security Issues in the Pacific Basin", Bulletin of Concerned Asian Scholars , vol 18, no.2, April-June 1986, pp.12-13.

¹⁹ Raimo Vyrnen (ed.), The Quest for Peace : Transcending Collective Violence and War among Societies, Culture and States (London, 1987), p.257.

Changing Security Perceptions:

Southwest Pacific provides fresh insight as it is this region which has remained a western stronghold for many years. In the new dispensation this stronghold is likely to weaken. While the hegemony of the United States and its allies in the region is still held intact, it is clearly a region increasingly open to new influences which could affect the status of the American nuclear deterrence, the character of the western alliance and regional security. Already there are several important developments which have threatened the position of the western alliance structure and have created the possibility of penetration of external powers into the region. These are Constitutional issues in Fiji and secessionist movements in Papua New Guinea (PNG). PNG's border dispute with Indonesia over Irian Jaya has potential for foreign powers' interference. The trend towards greater self-reliant defense policies has put national and regional priorities ahead of traditional co-operation with big powers.²⁰ The anti-nuclear sentiments which resulted into the world's third nuclear free zone and South Pacific fisheries issue have attracted external powers such as Japan, the Soviet Union and China in recent years.

There has been a new awareness in Australia with regard to its defense from long term point of view. In February 1985, Prime Minister Bob Hawke appointed a Review Committee to prepare a blue print of Australian defense. The Dibb report as it came to be known states, that

“Australia faces no identifiable direct military threat and there is every prospect that our favourable security circumstances will continue...There is no conceivable prospect of any power contemplating invasion of our continent and subjugation of our people... it would take at least years and massive external support for development of a regional capacity to threaten us with substantial assault. But there are possibilities for a lower levels of conflict - some of which could be very demanding - arising within shorter warning times,”²¹

²⁰ See the Defence of Australia 1987, A White Paper Presented to Parliament by the Minister of Defence, Mr Kim Beazely, AGPS, (Canberra, March 1987), p.12; and Defence of New Zealand : Review of Defence Policy 1987 (Wellington, February 1987), p.17.

²¹ Paul Dibb, Review of Australia's Defence Capabilities, AGPS (Canberra, 1986), See Executive Summary.

These kinds of low level conflict slogans are not new in the third world context. In the Australian case, particularly, what sort of low level conflict management was required is not clear to strategic experts except that it foretells the future role of the Australian defense in emerging situation in Southwest Pacific.²²

Meanwhile, the situation that has disturbed most the western alliance structure in the Southwest Pacific is the stance adopted by New Zealand towards the United States. The policy of the David Lange's Labour government in New Zealand which bans ships, planes that are capable of carrying nuclear weapons or are nuclear propelled is not a new one.²³ It was adopted by the previous Labour government in the mid - 1970s. However, what has distanced the present government in New Zealand away from United States security umbrella is the implementation of those policies in practice. As a result New Zealand remains suspended from the ANZUS. Even the post-Lange government of National Party after elections in 1990 has promised to continue the old policy of banning ship visits etc.

Also, France's nuclear testing in Southwest Pacific has come in for a strong criticism by Australia, New Zealand as well as the island states. Consequent upon a legal action by them in 1973, France had to discontinue tests in atmosphere due to its radioactive fall-out.²⁴ These factors, it should be noted, provoked more and more the already changing attitudes and aspirations of the people. Their sentiments are most expressly manifest in the anti-nuclear wave which swept the whole region in the last decade and pinnacle in the signing of

²² Commentators like Desmond Ball have criticised the review for being too defensive and not offensive enough : "We should have ways of exerting power back at an enemy. That way if we've been invaded by a small party from the north, we'd be able to hit back at their home bases". Newsweek 16 June 1986.

²³ Juliet Lodge, "New Zealand Foreign Policy in 1976", Australian Outlook, 31(1), April 1977, pp.75-76. For a more detailed discussion of the NZ-US dispute, see Ramesh Thakur, In Defence of New Zealand: Foreign Policy Choices in the Nuclear Age (Boulder:Westview, 1986), especially Chapter VIII.

²⁴ New Zealand, Ministry of Foreign Affairs, French Nuclear Testing in the Pacific, International Court of Justice Nuclear Tests Case, New Zealand v. France (Wellington, 1973), Publication 446.

the Treaty of Rarotonga which declares the South Pacific, a Nuclear Free Zone.²⁵ Whatever its limitation the Treaty embodies the present day attitudes of the people in Southwest Pacific. But for the deft handling by the American administration, it would have led ASEAN countries also to follow the same path.²⁶

Developments in Fiji and New Caledonia have added another dimension to the changing security environment of the region. In Fiji in August 1987, a serious development took place after the 14th May coup when Colonel Rabuka repudiated the British Queen as the Head of the State. In New Caledonia, South Pacific Melanesian feelings were aroused when charges were dismissed against the Whites involved in the massacre of the indigenous Kanaks at Hienghene.²⁷ A new concept of "Pan Pacific nationalism" is developing in the Southwest Pacific island nations similar to Pan Africanism.²⁸ It is argued that the shared need for effective diplomatic channels and common economic interests should not only be seen in the context of growing regionalism but also existing within an ideological context. The central concern of the Pacific leaders is how to have indigenous control of the region politically, economically and culturally. Speaking of 'The Pacific Way' Crocombe argues, that it is 'in part a common reaction to a common century of colonial domination' and further that 'it gains strength from a common anxiety about neo-colonial exploitation'.²⁹

²⁵ See Greg Fry, "The South Pacific Nuclear Free Zone :Significance and implications", vol.18, no.2, April-June 1986, p. 63.

²⁶ *ibid*, p.69.

²⁷ Pacific Islands Monthly(Suva), June 1989.

²⁸ "There are in fact many parallels that can be drawn between Pan-Africanism and the Pan-Pacific nationalism which,... has emerged in the South Pacific", Greg Fry asserts in his thesis, South Pacific Regionalism : The Development of an Indigenous Commitment (ANU, Canberra, 1979), p.212.

²⁹ R G Crocombe, The Pacific Way : An Emerging Identity (Suva,1976), p. 213.

New Economic Realities:

Not only have the changes been brought about at the strategic and political level, they have become apparent on the economic front as well. The new world economic order with its perceptible shift towards the Pacific is definitely presenting new opportunities and directions to the Southwest Pacific.³⁰ The people in the region are increasingly linking and identifying their interests with Asia which has been reciprocated in recent years. Australia, New Zealand and the island countries were considered part of the Western world in the past, but this is not the position now as their mutual interests converge. There is a growing interaction between the Asian and the South Pacific leaders.³¹ The South Pacific Forum members are keen to develop commercial and diplomatic ties with the Southeast Asian countries, particularly the ASEAN because of the

³⁰ Johan Galtung, "Cold War, Peace and Development: A Comparison of the Atlantic and Pacific Theatres", Current Research on Peace and Violence, 8(3-4), 1985, pp.101-102.

³¹ Gary Banks, "Towards a Pacific Economic Community", The Asian WallStreet Journal, 11 September 1989.

See also the remarks of Mr Rankin Beddal, an Australian Labour Party member in Australian Parliamentary Debate, on Australia's Foreign Policy, 13 February 1986.

"I now wish to turn to what I feel is something for the future. Given our geographic position it is essential that Australia adopt a closer relationship with Southeast Asia and Pacific ... The old idea that Australia must remain the last outpost of British colonialism should be replaced by closer identification with Asian and Pacific bloc nations. It is apparent that this area offers us greater room for increased trading opportunities. This is essential for the economic well being of our country. It is only by developing closer economic and cultural ties with Asia and the South Pacific that we will overcome some of the misconceptions about our region which have bedevilled our foreign policy in the past.."

geographical proximity of the two regions.³² There is a growing consensus in the South Pacific region to extend support to the emerging idea of the Asia-Pacific Economic Co-operation (APEC).³³ In two of the APEC meetings, in Canberra in November 1989 and in Singapore in August 1990, there was consensus about forming an Asia-Pacific Consultative Group in view of likely failure of Uruguay Round of GATT talks. This was also done in response to integration of Europe in 1992. The last twenty years have seen the emergence of new economic forces in the whole of Asia-Pacific. The region has acquired unprecedented importance. Half the world's GNP is being generated by the Pacific rim nations since 1979.³⁴ By 1982, 34.8% of the US trade was with the Asia-Pacific of which Japan accounts for more than 14 per cent.³⁵ It is estimated that by the end of this century, fifty per cent of world trade will be with the Pacific nations of which the four NICs and Japan would form the major share.³⁶ One reason for this has been that faced with the saturation point, where it is difficult to reap benefits from trade, the developed market economies are compelled to look out for other outlets. The Asia-Pacific region with its low-labour cost economies provides them with best opportunities. In 1982, the average wage in manufacturing sector in USA was \$ 11.79 an hour, in West Germany \$ 10.43, in Japan half the US figures, in the ASEAN countries it was one-fourth and in South Korea one-ninth, whereas average profit rate for the US private investment in Asia-Pacific 22.2% almost that in Europe.³⁷ No wonder between 1975 to 1982 the

³² J Stephan Hoadley, "New Zealand and ASEAN" Indonesian Quarterly 5(2), April 1977, p.11.

³³ Zakaria Haji Ahmed, "ASEAN and PAN-Pacific Co-operation: The Long Way Ahead", Asia Pacific Community, (30) Fall, 1985, pp.13-14.

³⁴ Julian E Gasper, US Pacific Basin Trade and Interdependence, A Research Paper of International Relations Section, Association of University Women, (San Anselmo, California, 4 April 1985), p.3.

³⁵ *ibid.*, p.5.

³⁶ Michael Richardson, "A Warning from the Pacific", International Herald Tribune 11 January 1989.

³⁷ Pradumna B Rana, "Foreign Direct Investment and Economic Growth in the Asian and Pacific Region", Asian Development Review, 5(1), 1987, p.101.

US direct investment in the Pacific rim countries rose from \$ 5.95 billion to \$ 28.5 billion, nearly a five-fold increase.³⁸

Thus one may notice a perceptible shift in world economic power towards the countries of the Pacific basin. Spurred largely by the opening of international markets for commodity exports of the resource rich region and the need to rebuild the industrial complex, Japan and many of the newly independent countries of the Pacific Basin are able to realise significant, if not spectacular, improvements in their economic well-being.

As mentioned above, there is a new awakening in the Southwest Pacific, it could be argued that winds of change would not leave Southwest Pacific untouched, particularly when there is change in attitudes of the Pacific people towards the metropolitan alliances. For example, in the case of New Zealand, Vietnam War led to fundamental assessment of New Zealand's role and responsibilities in the world. There was concern about the appropriateness of aligning the country's interests so closely with those of the United States.³⁹ It was recognised that if New Zealand's economic profile was similar to that of other former colonies, then it should be a little more circumspect about aligning itself with wealthy western trading nations at the expense of developing ties with the emergent nations of Asia and Southwest Pacific.⁴⁰ Earlier in 1960s New Zealand was confronted with some difficult foreign policy decisions with respect to its guardians. The decision of Britain to join the European Economic Community (EEC) in 1961 posed a severe economic threat to New Zealand. This was because New Zealand's pastoral industry had been developed to supply Britain with meat and dairy products. In 1959-60, for example, agricultural products made up 93 per cent of New Zealand's exports, 54 per cent of which went to Britain. In dairy and meat production, Britain took 91% of butter, 94 per cent of cheese and 94 per cent of mutton and lamb exports.⁴¹ In fact, with the British entry in EEC during 1970s

³⁸ Thomas A Layman, "Southwest Pacific - US Economic Relations", Asian Survey 27(10) October 1987, p.1128.

³⁹ David Lange, "New Interests, New Paths : New Zealand's Foreign Policy". New Zealand Foreign Affairs Review , 35(10-16) April-June 1985, p.12.

⁴⁰ Hoadley, n.32, p.20.

⁴¹ Department of Statistics, Government of NZ, Report and Analysis of External Trade 1985-86 (Wellington, 1987), p.32.

this position of New Zealand was threatened considerably. New Zealand's preferential trading arrangements with Britain were obviated, putting the whole basis of New Zealand's economy in jeopardy. Export to Britain dropped from 52 per cent in 1960 to 12 per cent in 1983.⁴² In retrospect, the most important consequences of the British decision to enter the EEC in 1961 was the realization on the part of the affluent New Zealanders that the country's wealth was derived from a very narrow base. This led to a renewed analysis of New Zealand's own national identity and a realistic appraisal of New Zealand's standing in the world.

The Pacific islanders no longer rely upon their traditional subsistence economy to sustain themselves.⁴³ Rather with the changes introduced by the western contact, a money economy has gradually supplanted the traditional economy. This substitution is nearly complete in a few of the smaller Pacific polities while in the isolated areas far distant from the urban centres much of life appears enmeshed in traditional subsistence ways. The colonial administrations, to varying degrees, facilitated this shift to a modern economy through the introduction of supportive infrastructure. Since achieving independence, the island governments faced increasing demands for education, medical care, transportation, communication and above all, an ever-widening scope of government involvement, but found themselves with limited capacities to respond. Given the small land areas of many of the Pacific island polities (half under 500 square kilometres) and the high population densities of some, the uneven distribution of arable soil and exploitable minerals, the declining international demand for primary commodities produced and the great distances from major markets which make most trade uneconomic, the future does not hold a rosy prospect of general prosperity for the islands.⁴⁴ Even the fisheries within the polities' extensive ocean jurisdiction promise no gains.⁴⁵ Only one Pacific island

⁴² *ibid.*

⁴³ For a discussion on this aspect see Geoffrey Bertram, "Sustainable Development in Pacific Microeconomies", World Development, 14(7), July 1986, pp.809-12.

⁴⁴ *ibid.*

⁴⁵ See R E Kearney, Some Problems of Developing and Managing Fisheries in Small Island States, South Pacific Commission, Occasional Paper no.16, October 1979, pp.3-4.

nation, Nauru, possesses an economy sufficiently developed to finance its own governance. Those with the most extensive, proven mineral resources - Papua New Guinea, the Solomons and Vanuatu - are presently so underdeveloped that they rely heavily upon external assistance. Aid flows to each island polity would make it clear that these flows are materially influenced by existing and former political ties between the metropolitan nations and the Pacific polities.⁴⁶

There is also a tendency for trade linkages to persist between the Pacific island polities and their present or former metropolitan administration. This is most noticeable with respect to the American and French dependencies. Also, the Pacific island imports from Australia and New Zealand far exceed their exports to these two countries, suggesting the significance of both relative physical proximity and the inertial forces of long established commercial ties.⁴⁷ Practically all of the island polities suffer an unfavourable balance of trade, the negative consequences of which are offset to some extent by remittances from islanders working abroad. One of the main reasons of unfavourable trade balance of the Pacific islands is their ever expanding reliance upon imported refined foods, which not only contributes to the trade imbalance, but also according to the UN FAO, has caused the region to have some of the highest or most rapidly increasing rates of malnutrition in the world.⁴⁸ Based upon the known resources, some of the islands are destined to remain heavily dependent upon outside financial assistance, both official and private, to support at least their present level of developmental requirements.⁴⁹

⁴⁶ See Table 8 and 22 in Appendix I. See also E K Fisk, "Development and Aid in the South Pacific in the 1980s", Australian Outlook, vol. 36, no.2 (August 1982), p.33. ,

⁴⁷ William M Sutherland, "Microstates and Unequal Trade in the South Pacific : The SPARTECA Agreement of 1980", Journal of World Trade Law, vol. 20, (May-June 1986), p.313.

⁴⁸ UN, FAO Report, 1988, p.38.

⁴⁹ Tsusaka Akira, "South Pacific Developing Countries : Development Issues and Challenges", Asian Development Review 2(1), 1984, pp.71-72.