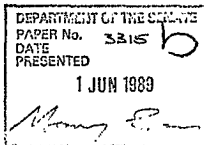




THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA



Joint Committee on
Foreign Affairs, Defence and Trade

REPORT ON VISIT TO NEW CALEDONIA

May 1989

Australian Government Publishing Service
Canberra

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MEMBERSHIP OF THE COMMITTEE

35th Parliament
Main Committee

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Deputy Chairman: Hon. M.J.R. MacKellar, MP

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Senator B.K. Childs (from March 88)	Mr R.G. Halverson, OBE, MP
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Secretary to the Committee:
Mr P.N. Gibson, MC

New Caledonia Working Group

Senator C. Schacht - Leader
Senator R. Hill
Mr G.B. Nehl, MP
Mr P.M. Ruddock, MP
Mrs J. Towner - Secretary to the Working Group

ABBREVIATIONS

AIDAB	Australian International Development Assistance Bureau
EEC	European Economic Community
FLNKS	Front de Liberation National Kanak et Socialist (Kanak Socialist National Liberation Front)
FULK	Front Uni Liberation Kanak (Kanak United Liberation Front)
RPCR	Rally for Caledonia in the Republic
SPC	South Pacific Commission

INTRODUCTION

1. The Joint Committee on Foreign Affairs, Defence and Trade's Sub-Committee on the South Pacific visited eight South Pacific countries in June 1988 as part of an inquiry into Australia's Relations with the South Pacific. Although New Caledonia had been included in the original itinerary for this trip, it was deferred to a later date due to continuing troubles in the Territory. In its report on Australia's Relations with the South Pacific, tabled on 13 April 1989, the Committee made some observations about the situation in New Caledonia and prospects for peace. The Committee was convinced, however, that it was important to visit New Caledonia and see first hand the situation almost twelve months after the signing of the Matignon Accords. Approval was sought and obtained for the visit by a working group from the Committee, and the visit took place 22 to 26 April 1989.

2. The Committee wishes to thank the Australian Government for providing funds to enable the visit to proceed, officials in the Department of Foreign Affairs and Trade for their assistance in providing briefings and suggestions on the itinerary; Australian diplomatic staff at the Australian Consulate-General in Noumea for their co-ordination of the visit and expert advice to the Committee during its visit; and to French authorities in Noumea who facilitated and welcomed the visit. The program (at Appendix 1) was comprehensive and allowed the Committee members to meet people from all areas of the political spectrum.

3. The Committee was shocked and saddened to hear of the assassination of FLNKS leader M. Jean-Marie Tjibaou and his deputy, M. Yeiwene Yeiwene on the island of Ouvea on 4 May 1989. Members of the Committee had met M. Tjibaou for discussions on 24 April and had been impressed by the positive stance he had taken toward the future of the Territory. His death leaves a large gap

in the leadership of the FLNKS and removes from the political scene in New Caledonia a strong voice of reason and moderation. Without his decisive leadership, Kanak adherence to the Matignon Accord must be brought into doubt. The Committee wishes to express its sorrow at the deaths of M. Tjibaou and M. Yeiwene to all of the people of New Caledonia.

4. The leader of the delegation, Senator C. Schacht, and the deputy leader, Senator R. Hill, accompanied the Australian Foreign Minister to New Caledonia for the funeral of M. Tjibaou and M. Yeiwene. The funeral service was a moving tribute to the outstanding leadership both men had given to the Kanak people and demonstrated their overwhelming support by the Kanaks as well as the goodwill of many of the French settlers. The Australians present, like other observers, were greatly moved by the tributes to both men.



Gordon Bilney, MP
Chairman

May 1989

REPORT OF THE JOINT COMMITTEE ON
FOREIGN AFFAIRS, DEFENCE AND TRADE
DELEGATION TO NEW CALEDONIA
22-26 APRIL 1989

Historical Background

1. New Caledonia appeared caught in a spiralling cycle of violence and civil disturbance from 1984 onwards, culminating in the Ouvea incidents of April-May 1988, in which 19 Kanaks and 4 gendarmes were killed. The re-election of President Mitterand in May 1988 and the appointment of Michel Rocard as Prime Minister saw a major shift in French policy, and quick moves towards reaching some formula acceptable to the majority of groups in New Caledonia. The violence on Ouvea gave an added incentive to leaders on both sides of the independence argument to seek a negotiated settlement.

2. Agreement was reached on 26 June 1988 based on negotiations between Prime Minister Rocard, FLNKS leader Jean-Marie Tjibaou and RPCR leader Jacques La Fleur. Known as the Matignon Accords, the agreement provided for a period of direct rule by the French State for 12 months. Until 14 July 1989, full executive responsibility was given to the French High Commissioner in New Caledonia. He was to be assisted by an eight member Consultative Committee comprising representatives of various political groups within New Caledonia.

3. On 20 August 1988, agreement was reached (the 'Oudinot Accords') between the French Government, the RPCR and the FLNKS on future institutional arrangements and other accompanying measures for the Territory which were set out in a draft Statute for New Caledonia. This provided for:

- . a national referendum to be held in November 1988 on legislation concerning institutional and other arrangements to apply in New Caledonia over a 10-year transition period;
- . division of the Territory into three provinces with significant autonomy (South, North and Loyalty Islands);
- . a major effort to accelerate economic and social development as well as increased training opportunities in the less well developed, predominantly Melanesian areas in the interior and the Loyalty Islands;
- . an amnesty for most prisoners held for politically-motivated acts;
- . an act of self-determination to be held in 1998.

4. In accordance with the Matignon Accords a referendum was held throughout France (including New Caledonia) on 6 November 1988 to seek popular ratification of the proposed new statute for New Caledonia. In metropolitan France as a result of voter indifference there was only a 37.3 per cent participation rate; of these 80 per cent approved the new statute. In New Caledonia although the participation rate was higher (62.55 per cent), the 'YES' case only received 57 per cent of the votes as against a 'NO' vote of 43 per cent. Not surprisingly the 'NO' vote was predominantly from the European dominated southern part of the territory. The high 'NO' vote was surprising, however, because the RPCR had called for its supporters to support the 'YES' case in the referendum.

5. Despite continuing areas of disagreement and dispute, the Matignon Accords appear to be holding together and have

provided a framework within which the various groups can compete without the need to resort to violence. Opposition to the Accords has not disappeared however. The ultra-loyalist groups, including the Front National, and radical elements within the FLNKS, including FULK (which has subsequently left the FLNKS), reject the Accords. However, although the Matignon Accords remain fragile, support for the two major pro-Accord groups remains strong. In municipal elections in March the RPCR won 40 per cent of the vote, and the FLNKS 30 per cent. Those groups opposed to the Matignon Accords were in a minority and did not make significant inroads as they had hoped. The next major test will be provincial elections scheduled for 11 June 1989.

The Political Future

6. The most obvious and immediate impression the delegation had from its time in New Caledonia was the feeling of cautious optimism and reduction in tension that had been so oppressive prior to the Matignon Accords. The remarkable change in the political and social atmosphere in New Caledonia is a direct result of the French Government, the RPCR and FLNKS being prepared to institute discussions, and reach and maintain a negotiated settlement. Tribute should be paid to all three signatories to the Matignon Accords, for turning New Caledonia away from a path that would have led to continued civil unrest and consequent bloodshed.

7. Although tension had eased remarkably, the delegation remains doubtful that the Accords will last the proposed 10 years until the referendum in 1998. There are a number of reasons for concern about the durability of the Accords, based on discussions with representatives of most of the major participants in the Accords.

8. The delegation believes that the RPCR and the FLNKS agreed to sign the Matignon and Oudinot Accords for very

different reasons, and with equally divergent expectations of where the Accords will lead. The Kanaks believe that the 10 year breathing period will provide time and resources to establish the foundation of a successful Act of Self Determination in 1998. By then the increased assistance promised by the French Government will have led to a larger number of more highly trained and qualified people within the Melanesian community, people with experience in administration, well able to demonstrate they are capable of governing in their own right. Competent and moderate provincial government by the Kanaks would no doubt gain the FLNKS some non-Kanak support by 1998. The FLNKS would also appear to be hoping that the higher Kanak birth-rate will see the Kanak population well beyond its current level of 43 per cent.

9. The RPCR, on the other hand, is hoping that the 10 year period and associated increased level of assistance to the underdeveloped regions, will demonstrate the economic benefits of remaining with France and may lead to a compromise position between full independence and the territory remaining part of France. (The more extremist right-wing groups see the 10 year period as an opportunity for the FLNKS to regroup after the violence of the last few years, obtain additional finance and by 1998 if not sooner, with a majority of the population, demand independence).

10. It is apparent that at some stage in the next 10 years unless some compromise position is reached, either the RPCR or the FLNKS will realise that their expectations of 1998 are not going to be met, and the Accords will come under increasing pressure and stress. When one side feels that its interests are no longer being advanced by participation in the Accords, there may well be a return to the policies of confrontation.

The Assassination of Jean-Marie Tjibaou

11. The delegation, as noted in the introduction, was deeply shocked and dismayed at the assassination of FLNKS leader Jean-Marie Tjibaou and his deputy Yeiwene Yeiwene, on the island of Ouvea on 4 May 1989. Tjibaou was a voice of moderation and reason, a political figure of immense stature in New Caledonia and similarly in France, and it was due in no small part to his personal influence and power that the majority of the FLNKS supported the Accords. One of the assassins, Djubelli Wea, an FULK leader on Ouvea, had bitterly opposed the peace plan with the French. In striking out at Tjibaou, one of the authors of the hated Accords, Wea may well have succeeded in ultimately destroying them.

12. The death of Jean-Marie Tjibaou leaves an enormous gap in the leadership of the FLNKS. Although M. Francois Burck has been elected leader of the Union Caledonienne (UC), the faction previously headed by Tjibaou, no decision has yet been made on a replacement for Tjibaou as leader of the FLNKS. It is widely accepted that no-one has the same breadth of experience or standing that Tjibaou had, both among the Melanesians and the French. Without his guiding influence it will be very difficult to maintain FLNKS unity, and FLNKS support for the Accords. The prospect of bitter factional fighting within the FLNKS following Tjibaou's death will also hamper FLNKS attempts to show they are capable of moderate, efficient government, and may also affect their performance in the provincial elections in June 1989.

13. The delegation during its visit to the Territory, was not able to visit Ouvea, principally because of security concerns. This obviously limited the extent to which the delegation could evaluate the degree of dissent among the Kanak population to the Matignon Accords. As a result, the delegation when it left New Caledonia in late April 1989 was "cautiously optimistic" about the Accords being maintained and a compromise position on independence reached by the major groups. That

optimism has now decreased significantly. Although the delegation would hope that Tjibaou's death would serve to unify all groups in support of what he stood for, the fear remains that New Caledonia will sink back into the destructive pattern of confrontation and violence seen in the mid-1980s.

Other Issues

14. Although the political future of the Territory was of primary concern to the delegation during its visit, a number of other issues were raised. These are commented on below.

Land Ownership

15. As in most South Pacific countries, the indigenous land ownership system in New Caledonia has been subject to great pressures. The acquisition of land by white settlers established a system of private land ownership and usage, with the European settlers acquiring most of the fertile land. Reserves were set aside for the Kanaks, but most of these reserves were in the less fertile highlands.

16. The land issue is central to tensions in New Caledonia. As the independence movement gathered momentum so did Kanak demands for the return of their land. In 1978 under the 'Dijoud Plan' the Melanesians' right to ancestral land was formally recognised, but difficulties in redistributing the land have remained immense. Differences remain, not only between the Europeans and the Melanesians over land ownership, but also within the Melanesian society between those who wish to see the traditional clan control over traditional land maintained, and those who wish to see private Kanak ownership of the land.

17. The issue of land ownership must be viewed in the context of the political future of the Territory. One of the

factors the French must have considered in agreeing to the 10-year interim period under the Matignon Accords has been that during this time there will be the opportunity for the breakdown of traditional land ownership patterns and hence Melanesian traditional authority. The move towards encouraging individualism in land ownership should also be assessed in terms of the flow-on effect this will have on increasing, especially among the younger generation of Kanaks, a more individualistic approach to matters beyond land. There will be a significant impact on Melanesian societal organisation which will create additional tensions and divisions as individualism vies with tribalism.

18. The Agency for Rural Development and and Organisation (ADRAF), set up under the Chirac Government, has had the task of helping all ethnic groups acquire land and develop it. Opposition to ADRAF has come from both the FLNKS and the extreme right, with claims of corruption and unfair land acquisition/distribution. Buying back land has not been the major stumbling block - settling title to the land and arranging for its equitable distribution have been major difficulties. Land is distributed provided there is some plan for the economic development of the land. Under the traditional land ownership system it is difficult to use the land as surety against a loan for finance to develop the land. The Kanaks indicated most strongly in discussions that while the restitution of land was important, they also needed resources to enable the land to be developed. French authorities have encouraged the tribes to form limited companies that will then own the land. The concept of a commercial company does not exist in Melanesian society and there is a need to attempt to adapt commercial land ownership methods to Melanesian society.

19. Under the proposed administrative structure allowed for under the Matignon Accords, the provinces were originally to have responsibility for land tenure and land reform. Subsequently it has been decided that this power will be with the Legislative Assembly. Because of the complexities of the land issue, all

sides acknowledge that patience and compromise will be required to reach an equitable solution.

Trade

20. Australia is the major non-French supplier of New Caledonia, and New Caledonia is the second most important market for Australia in the Pacific region after Fiji. The range of products exported from Australia to New Caledonia is very extensive, worth some \$A85 million in 1988. In comparison, New Caledonia exports to Australia in the same year were \$A2.9 million.

21. There are several barriers to Australian exports which prevent export levels increasing significantly. Import restrictions are aimed at favouring French (and EEC) exports. Some non-EEC products are prohibited, eg, wine, milk, flour and beer (Fosters Lager, for example, is available in New Caledonia, but it is imported from the UK). There are restrictions on the issue of import licences; additional import taxes (0 to 40 per cent) are applied on goods originating from non-EEC countries; and French language labelling is compulsory for all goods presented for retail sale. It is estimated that Australian exports to New Caledonia could double their share of the market if the existing Import Restriction Policy was lifted.

22. France has indicated that it wishes New Caledonia to forge stronger links with the South Pacific region generally. The delegation believes that the removal of the barriers to trade with regional countries would have advantages not only for the regional countries, but also for New Caledonia in terms of significant reductions in the cost of imported foodstuffs and other produce. The Committee recommends that the Australian Government continue to push for the removal of the restrictive trade barriers imposed in New Caledonia. Such discussions should be not only with the French Government, but also with the

Territorial Assembly and Provincial Councils, once established, and should stress the economic advantages of the removal of the restrictive practices for the standard of living of all New Caledonians.

Australian Assistance under the Matignon Accords

23. In supporting the Matignon Accords and in response to indications from the French Government that they wished to increase contact between New Caledonia and its regional neighbours, Australia has indicated it is prepared to assist the Territory in a number of specific areas, including high-level visits, cultural exchanges, and development assistance. The delegation supports these initiatives and believes the Australian Government should remain receptive to requests for assistance and help where possible to improve the economic, cultural and social contacts between the Territory and Australia in accordance with the Matignon Accords.

24. Specifically, the Committee recommends that:

- a. once the Territorial and Provincial Assemblies have been established and are functioning, there should be regular exchanges between the Assembly representatives and the Australian Parliament;
- b. the amount of bilateral assistance provided by Australia be monitored, and gradually increased, and that this assistance be primarily focused on education and small-scale development projects.
- c. the Australian Government should encourage increased contact between business and professional groups, trade unions, etc. in New Caledonia and Australia, using such mechanisms as the special visits program.

The Economic Future of New Caledonia

25. Nickel ore is the major export of the Territory, and for this reason the delegation held discussions with the Director of the Societe Metallurgique Le Nickel (SLN). SLN has a major influence on the economy of the Territory: its mining and smelting operations consume 75 per cent of New Caledonia's electricity; its refinery dominates the Noumea skyline; and SLN is the biggest private sector employer in New Caledonia. The Bond Group has expressed interest in investing in nickel operations in New Caledonia.

26. The over-reliance on nickel has distorted the New Caledonian economy. High prices for nickel last year were the best in almost a decade. SLN produced 47 800 tonnes of nickel metal in 1988, with a customs value of approximately \$A446 million. However, should the price of nickel drop as it has in the past, there are obvious implications for employment levels in the Territory.

27. The delegation believes it is important that other sectors of the economy be developed to lessen the reliance of the Territory on this single industry. Tourism is one area where there is room for expansion beyond the current levels.

The French University of the Pacific

28. The French University of the Pacific consists of two campuses - one in Papeete in French Polynesia and the other in Noumea. The Committee visited the Noumea campus and held discussions with its Director, Professor Yves Pimont and a student of the University.

29. The University suffers from a shortage of accommodation and lack of adequate lecture and tutorial facilities. However there are plans to construct new university facilities with a

capacity to cater for 600 students. There are currently three faculties in Noumea - law, science and letters (ie humanities) and no other faculties are planned at present. Of the students, two-thirds are of European extraction and one-third are Melanesians and others (Polynesians, Asians, etc). Approximately 15 per cent of the total student body of 280 are Melanesian. The University has the potential to make a significant cultural and educational contribution to the Territory in the future.

30. The University has been keen to establish contacts with other academic institutions in the region. Various Australian institutions, such as the Australian National University, the University of New South Wales and James Cook University of North Queensland have been in contact with the French University. Exchanges of students and joint research activities are possible in the future. The delegation recommends that close liaison between all regional institutions be encouraged as it believes there would be benefits on both sides for closer contacts with the French University of the Pacific. The delegation also recommends that as part of this process students from the French University of the Pacific should be able to attend courses at Australian institutions, as well as vice versa.

South Pacific Commission

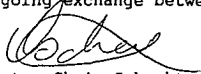
31. The South Pacific Commission headquarters is located in Noumea and the delegation took the opportunity to meet the Acting Secretary-General, Mr J. Jonassen and project staff and discuss the work of the Commission and its operating procedures.

32. The SPC is an advisory and consultative body. It does not seek to concern itself with political issues, nor does it attempt to direct member countries' development programs. The strength of SPC is its ability to provide technical assistance to member countries quickly and professionally at grass roots level.

33. During the Committee's previous inquiries, A Review of the Australian International Development Assistance Bureau and Australia's Overseas Aid Program, and Australia's Relations with the South Pacific, it became apparent that there were aid projects in the South Pacific, funded by various donors, that were not fulfilling the developmental role expected of them. Some aid projects, in fact, became serious liabilities for the recipient country. The delegation believes that the SPC, with its extensive expertise in evaluating projects, could be of great assistance to member countries in avoiding projects that would not benefit the recipient country in the future. SPC, however, is unable to initiate such evaluation unless requested by a member country, and the SPC is also not always fully aware of member countries' bilateral aid projects. The Committee recommends that Australia, through the SPC's Committee of Representatives of Governments and Administrators (GRGA) meeting encourage member countries to seek SPC technical evaluations of its bilateral aid projects, and encourage all aid donors to liaise/consult with the SPC on aid projects.

Conclusion

34. The delegation's visit to New Caledonia, although only three and a half days in length, was most useful, not only in providing the participants with the opportunity to discuss political developments in the Territory, but also to investigate in general terms French policy in the region. The delegation wishes to thank all who assisted in arrangements for the visit, in particular the staff at the Australian Consulate-General, and French authorities in New Caledonia who assisted in the program. The Committee hopes that this visit will be the first in an on-going exchange between Australia and New Caledonia.



Senator Chris Schacht
Leader of the Delegation

APPENDIX 1

JOINT COMMITTEE ON FOREIGN AFFAIRS, DEFENCE
AND TRADE DELEGATION TO NEW CALEDONIA
22-26 APRIL 1989

PROGRAM

Saturday 22 April

- 1715 Arrive Tontouta Airport, New Caledonia.
Met by Australian Consul-General, Mr D. O'Leary and staff.
- 1745 Depart Airport for Noumea and hotel.
- 2000 Informal dinner at the Consul-General's Residence to meet Australia-based Consulate-General staff.

Sunday 23 April

- 0715 Depart Hotel.
- 0840 Morning coffee with Monsieur Remi Girardot, Head of the Central Administrative Subdivision, at his residence in La Foa.
- 0915 Depart La Foa
- 0930 Brief visit to village of Petit Couli near Sarramea.
- 1030 Arrive Canala. Met by the First Assistant Mayor of Canala, Monsieur Gaetan Tohouade (FLNKS), and other members of the Municipal Council - discussions.
- 1230 Depart Canala.
- 1330 Lunch at La Foa (Hotel Banu - to be joined by Monsieur et Madame Remi Girardot and Mayor of La Foa, Monsieur Philippe Gomes (RPCR).)

Afternoon and early evening

- Visit region of La Foa, accompanied by M. Gomes -
- . Visit to a Caldoche farm
 - . Call on the Grand Chef de Petit Couli, for discussions
 - . discussions with M. Gomes at his office.
- 2030 Depart La Foa area for Noumea.

Monday 24 April

- 0745 Depart Hotel.
- 0800 Briefing at Consulate-General.
- 0900 Meeting with Mayor of Noumea, Monsieur Jean Leques (RPCR) at Noumea Town Hall.
- 0930 Meeting with Senator Dick Ukeiwe (RPCR).
- 1030 Meeting with Monsieur Jean-Marie Tjibaou, President of FLNKS.
- 1200 Informal lunch in town.
- 1400 Meeting with President of Territorial Assembly, Monsieur Albert Etuve (RPCR) and Members of the Bureau of Congress at the Congress Building.
- 1500 Meeting with members of the Political Bureau of the FLNKS at Consulate-General
- 1630 Meeting with High Commissioner and Delegate of the French Government, Monsieur Bernard Grasset, at High Commission.
- 1830 to 2000 Reception at Consul-General's Residence

Tuesday 25 April

- 0840 Depart Hotel.
- 0900 Meeting with Secretary-General of the Territory, Monsieur Jacques Iekawe.
- 1020 Arrive at Monument to War Dead.
- 1030 ANZAC Day Commemoration Ceremony
- Wreaths to be laid by Consul-General and Senator Schacht on behalf of the Australian Parliamentary Group.
- 1100 Vin d'Honneur hosted by Mr David Atkins, New Zealand Consul-General, at his Residence.
- 1230 Informal Lunch.
- 1400 to 1630 Visit South Pacific Commission Headquarters
- Call on Acting Secretary-General, Mr Jon Jonassen, Deputy Director of Programs, Madam Helene Courte, and senior staff.

1945 Depart Hotel.
2000 Dinner hosted by French High Commissioner, Monsieur Bernard Grasset, at his Residence.

Wednesday 26 April

0830 Depart Hotel
0900 to Visit Noumea Section of the French University of the
1000 Pacific
- Met by the Director, Professor Yves Pimont.
1030 to Visit Societe Metallurgique le Nickel (SLN)
1200
- Met by the Director Monsieur Philippe Gros.
1230 Informal lunch.
1430 Depart Hotel
1500 Press Conference at Consulate-General.
1545 Depart for Airport.
1700 Depart Noumea for Sydney.