

THE FIJI Islands form an independent country within the British Commonwealth, lying in the South Pacific some 20° south of the equator between New Caledonia and Tonga, and are compiled of 300 islands, 100 of which are inhabited. The population is about 550,000 with 265,000 East Indians (brought over early in this century as indentured workers for the plantations), 250,000 native Fijians — a handsome stock of Melanesians who abandoned warfare and cannibalism a century ago for Christianity and a peaceful, easy-going lifestyle. The rest of the population is made up of Tongans, Europeans and other Pacific Islanders. By far the bulk of the population lives on the two main islands — Viti Tevu and Vanua Levu.

The Fijians, not inclined to promote self-interest over community interests, shun industry, saving and the competitive marketplace. Their incomes, rarely large, are usually shared among friends and villagers, or spent quickly on necessities or pleasure. Even when easy money opportunities are available, as, for instance, in fishing (the surrounding waters abound in fish but hardly anyone bothers to catch them), they remain curiously unmotivated. When I asked a long-time local resident why the Fijians avoided this labour-intensive and highly (one would assume) remunerative work, he said, "Nobody knows why; they just don't." The other Pacific Islanders resident here are similar in outlook.

The Indians, on the other hand, form a popular opposite. Although the Fijians control the reins of government, such as it is, it is the Indians who own and control most businesses. Along with some Chinese and Australian and New Zealanders, the Indian residents run all business, employ most labour, utilise most land, run the cities, man the banks and handle commerce. They dislike wasting or giving money away, save diligently, invest wisely, and are eager to expand their businesses. A highly profit-orientated people, they are careful with money and, because of their astute business sense, are sought after as managers, entrepreneurs, and commercial partners.

Needless to say, the Fijians and Indians find each other a strange lot, motivated as they are in such different directions. Outwardly, they live together in peace but, according to long-time residents here that I spoke to, there is a boiling resentment between the two groups just below the surface. Some experts in the area even



LAND TENURE & THE

CIVIL STRIFE THREAT TO FIJI

BY TERRY
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● *TRANQUILITY on a beach on one of the Fiji islands, in the South Pacific; but the peace is now threatened by social conflict as the indigenous population seeks to preserve its land rights against the newcomers.*

foresee an all-out civil war between the Fijians and Indians.

"What," I asked these people, "could be the source of such volatile and harsh feeling between these groups in such a peaceful island paradise as this?" Without exception or hesitation they answer, "the land problem, of course."

THE LAND PROBLEM

All the land of Fiji is divided into three parts:

1. **Native Lands:** Comprising 83 per cent of the total land mass, these lands are held in trust for Fijians only by the Native Lands Trust Board, headquartered in Suva. Some of these lands are very marginal and more or less held by the villages under the authority of local chiefs. The chiefs and leading householders decide the

use of the land, although they are run by tribal and trust laws to make home and garden sites available to any Fijian adults who can trace their ancestry back to the Village era. These plots are almost invariably rent-free. The chiefs may also lease out their lands to non-Village Fijians immigrating from other islands, who may or may not pay a land rent, depending on how the chiefs and householders of the village feel about their presence. Much of the native lands are leased out to the Indians, who work them and pay a rental fee for this usufruct. The longest leases run only 30 years, and all land and improvements revert to the Fijian community upon termination of the lease. Needless to say, this is a source of great consternation to the Indians who rightly argue that they have no

long-term security on the lands they work, and lose all the improvements they have added when the lease runs out.

The Native Lands Trust Board administers these leases, helping assess a fair rent, collecting them, then re-distributing the rents back to the Fijians. Last year some \$4 million (Fijian) was collected in land rent (from category 1) and re-distributed back to the Fijians. The chiefs get 30 per cent of the rent, paid in cash directly to them, and the other 70 per cent is paid in cash to the Fijian inhabitants. The chiefs may or may not re-distribute their funds back to the country; often it is drunk at local bars or given away to relatives. But just as often, the chiefs put all, most or part of their rent money into local community coffers. Some of the Fijian Villagers receive their per-capita rent payments in cash and spend them as they please; others have bank accounts wherein their rental shares are deposited by the N.L.T.B., to be spent as the individual sees fit.

Here's the rub: Most Fijians have left the villages and moved to the cities and thus abrogated their rights to share in the rental receipts; they share none of the land rents collected and distributed by the Native Lands Trust Board.

2. Free-hold Lands: When the Europeans first arrived, they staked out the best locations and soils of Fiji, as well as the few beaches, emerging city sites and ports, and made them fee-simple, or "free-hold" trusts. These lands comprise nine per cent of Fiji's land and are owned primarily by absentee Australian, New Zealand and English owners, as well as by the many Indians. Very little of these lands remain unoccupied or unused, and they command a high price on the market. The land under the major cities – Suva, Lautoka, Mba, Tevua, Raki Raki and others, as well as the few prime beach sites, and the best of the lush, flat soil for agriculture are all free-hold lands. One sees sale ads for this type of parcel in the daily papers at very dear prices. The local property tax on land is a token charge; rental values left over after these tax charges are capitalised into hefty sales prices certainly beyond the reach of most Fijians – or Indians, for that matter. So, although free-hold land is small as a percentage of total acreage, it represents the least marginal, most desired land, and yields by far the lion's share of Fiji's land rents. There is no coordinated assessment procedure in Fiji, so the

exact value of their free-hold land is another unknown – but it must be a considerable amount.

3. Government Land: Seven per cent of Fiji's land is owned outright by the Government. These comprise mostly forest lands, and are leased out to foreign foresters and other agricultural interests. This revenue goes into a common state fund. The amount is also unknown.

While visiting Fiji, the author gave two talks on Georgism to future teachers and administrators at the School for Social and Economic Development at the University of the South Pacific, Suva. The students there were keenly interested in the Georgist approach to land problems. Aware as they were of the local difficulties with land use and distribution, they seemed thankful to find out that the "land question" spans the whole earth and all of human history. One student remarked to me after my talks that he was excited and pleased to hear the land question approached from an ethical, not just an empirical point of view. Dr. Randolph Thaman, a recognised authority on Pacific geography and especially Tongan land use and tenure systems, who invited me to speak before his students, told me, "We have a relatively low population-to-land-area ratio here so far, but in time, as our numbers grow, the land question will grow in importance, probably in direct proportion to the price of land and its alienation from the people as you have described it. Already we see a clamouring for land reform in Fiji – and it must come soon. Our government and our people realise the urgent need for some sort of fundamental change in our land tenure system; I hope it will include some of the elements you have been describing in your talks."

While in Suva, I also had some talks with John Salmon, Senior Advisor to the Native Lands Trust Board. He told me, "We try to act as a buffer between the claims of the Fijians and demands of the Indian community over lands. It is a simple problem by no means. Most of the free-hold land has been pre-empted and its value is unknown. The

demonetised native lands are being abandoned by the Fijians, and the Indians cannot get satisfactory leasing arrangements to give them security of tenure. There are political movements afoot to deport the Indians and reclaim all the land for the Fijians. Aside from the inherent meanness and impracticability of such a proposal, would or could the Fijians use the land to its best advantage?

Some people fear an all-out civil war in the not too distant future if we don't come up with workable solutions soon."

I tried to offer some sound reform strategies to those I spoke to in Fiji regarding their land dilemma. They included:

1. Stream-line the assessment procedure for free-hold land;
2. Gradually raise the tax on these lands while reducing levies on imports, business enterprises, and income taxes from middle and low income earners;
3. Exempt buildings from the property tax rates now levied;
4. Create reserves and land banks for sections of Fiji that should be protected from too fast commercialisation and monetisation. The Fijians have a right to protect their cultural foundation as well as their land base.
5. Redistribute rents so that they benefit the entire population, not just the Fijians;
6. Promote education in land economics at every level of society;
7. Create economic incentives to promote more aesthetic, productive and environmentally sound land use.

The Fijian Islands represent a microcosm of the entire Pacific region. Ancient tribal land tenure systems, when they exist side by side with modern capitalistic land use patterns, colonialism, decreasing isolation, growing population and rising interdependencies, demand innovative land laws based upon a heightened appreciation of the land question. Georgists have much to offer this decreasingly remote area, and it is my hope that they will be able to benefit from the insights and lessons we have to share with them.



Land Rent As Public Revenue in Australia

BY ALLAN R. HUTCHINSON

— a quantitative evaluation of potential exchequer revenue to be derived from land value taxation

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