

NEW ZEALAND, FRANCE AND NEW CALEDONIA
Changing relations and New Caledonia's road to
independence

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A Thesis

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Abstract

Despite broadly positive relations between New Zealand and France, New Zealand's ties with New Caledonia remain largely underdeveloped. This situation endures regardless of efforts in the last decade by the New Caledonian and New Zealand governments to improve relations. In 2011, if asked, most New Zealanders would not know that French was the language spoken by their closest neighbour. In addition, very few New Zealanders travel to New Caledonia to take a holiday. Although exports to New Caledonia are strong, not many New Zealand businesses set up operations in New Caledonia even though there are significant opportunities. Conversely, more New Caledonians travel to New Zealand for holidays than New Zealanders go to New Caledonia. From a trade perspective, New Caledonia exports very little to New Zealand. The trade balance is vastly in New Zealand's favour. Over the past decade, New Zealand Foreign Affairs and Trade Ministers have focussed on the growing opportunity to develop the relationship and have visited New Caledonia several times, accompanied by business and government delegations.¹ The New Caledonian government has responded with similar missions and in 2007 the 'New Caledonia Cultural Season' was held in New Zealand. This year-long celebration included a museum installation about New Zealand's deployment in New Caledonia during World

¹ Ministerial visits to New Caledonia include New Zealand Minister of Foreign Affairs, Jim Sutton in 2005, New Zealand Minister of Foreign Affairs, Phil Goff in 2007 and New Zealand Minister of Foreign Affairs, Murray McCully in 2010. In 2005, New Caledonian President Mme Marie-Noëlle Thémereau made an official visit to New Zealand.

War II, a series of trade and diplomatic meetings and a number of cultural performances. Arising out of two conferences held during the Season, one in New Caledonia and one in France, was a book of essays examining the relationship called “New Zealand-New Caledonia: Neighbours, Friends, Partners”.² This book, with some essays written in French and some in English, looks at a number of links between New Zealand and New Caledonia, including religion, literature, trade and security. It offers an excellent starting point for the question posed in this thesis and will be widely referenced.

What explains why New Zealand’s relations with New Caledonia have struggled despite the continued development of a warm bilateral relationship with Paris? Ultimately it lies with a lack of strategic interests binding the two neighbours and their historical allegiances to competing colonisers. This thesis will examine the relationship of the Pacific neighbours in three parts: first their political history and association, second their cultural bonds and barriers and finally their trade relationship.

It is only since the 1990s that France has encouraged New Caledonia to chart its own political course. As a result, New Caledonia is finding its feet politically and is making an effort to become more involved in the region. Prior to this, the historical implications of New Caledonia being settled by France and New Zealand being settled by England created an enduring barrier. It was a close run situation in that New Zealand itself could well have become a French colony. This is largely based on confusion between politics and religion: the Catholics were interested in converting Polynesia in competition with the London Missionary Society. The French government in the 1840s was more concerned with what was called the conquest of Algeria. Nevertheless, the legacies of these allegiances to their respective colonial powers mean that linguistic, political and economic borders have been established over 150 years. These have restrained the relationship.³ While France and New Zealand have established national identities, New Caledonia is in the process of finding its own. New Zealand has for several decades thought of itself as its own nation and not as a nation of British subjects living in the South Pacific, although around one tenth

² Frédéric Angleviel and Stephen Levine (editors), *New Zealand - New Caledonia, Neighbours, Friends, Partners*, Victoria University Press 2008

³ Adrian Muckle, ““Neo” lands in Oceania: New Caledonia and New Zealand”, from *New Zealand-New Caledonia Neighbours, Friends, Partners*, edited by Frédéric Angleviel and Stephen Levine, Victoria University Press, 2008

of New Zealanders carry a British passport. In addition, Māori are becoming more self-aware of their cultural roots and this adds to the sense of New Zealand's emancipation from the United Kingdom.⁴ It is only since the 1998 Nouméa Accord that New Caledonians have begun to think of themselves as something other than French citizens living in the South Pacific. In a similar way to the New Zealand Māori, the Melanesian Kanaks in New Caledonia are also in the process of reaffirming their identity and their emancipation from France.⁵ Because of the different timelines of establishing these national identities, New Caledonia's direct relationship with New Zealand is still relatively immature. It is however developing and this can be illustrated by the imminent appointment of the first New Caledonian representative in charge of promoting exchanges between New Zealand and New Caledonia inside the French Embassy in New Zealand. It must be noted that this appointment is, as of May 2011, in flux because of the lack of a stable New Caledonian government.⁶

It appears that New Caledonia puts in more effort than New Zealand to develop and nurture the political relationship. A case in point is a recent report from the New Zealand Foreign Affairs, Defence and Trade Committee (FADTC) on the South Pacific, which does not include any reference to New Caledonia or French Polynesia even though they are two of New Zealand's biggest Pacific Island trading partners.⁷

The official language in New Caledonia is French. In New Zealand it is English (although both places have many other languages spoken and understood). While physically close (New Caledonia is New Zealand's nearest neighbour), culturally the two are poles apart. One would ask at this point why is there this cultural block when France and New Zealand have the same language barriers, and yet have the strongest relationship they have possibly ever had? Partly it can be argued that the strategic importance of France to New Zealand is greater and thus more of an effort is made to overcome the cultural barriers.

⁴ Stephen Levine, "The New Zealand-New Caledonia Relationship: A Political Perspective", from *New Zealand-New Caledonia Neighbours, Friends, Partners*, edited by Frédéric Angleviel and Stephen Levine, Victoria University Press, 2008

⁵ Ibid

⁶ In February 2011, the government of Philippe Gomès in New Caledonia was ousted after a stoush over the flying of the Kanak flag. In May 2011, there is still no elected government in New Caledonia, however there is a provisional one in place.

⁷ "NZ Aid to Pacific needs more focus report", *PAC - Pacific Islands Broadcasting Association*, 14 December 2010

While France and New Zealand have common interests in respect of politics, defence and trade, New Caledonia and New Zealand have not yet developed their relationship to the same extent in these areas.

New Zealand is ostensibly an open market but New Caledonia is still a highly protected French collectivity. Because of the protection afforded it, its industry has become lackadaisical and uncompetitive. On the other hand, those New Caledonian businesses that want to export to New Zealand face strict bio-security non-tariff barriers. It is these barriers, which cause New Caledonian officials to question New Zealand's so called free-market economy. While the trade relationship between New Zealand and New Caledonia is one-sided in New Zealand's favour, it is showing signs of improving and becoming more balanced. As this trade relationship develops and becomes more strategically important for both places, it can be expected that the other two parts of the relationship - the political and cultural relationships - will also be given more attention.

This thesis examines the underdeveloped relationship between New Zealand and New Caledonia in contrast to the strong and developed relationship New Zealand has with France. It will therefore look at the historical relationship between New Zealand and France, the major hiccups in that relationship and the gradual rebuilding of it to put in context the New Zealand-New Caledonia relationship. In addition, the thesis will give a background of New Caledonia leading up to the Matignon Accords in 1988 and the Nouméa Accord in 1998, two key treaties which have paved the way for the beginnings of New Caledonia's emancipation from France.

Chapter Outline

Chapter One will examine the historical relationship between New Zealand and France. Chapter Two discusses the settling of New Caledonia as a penal colony and outlines its current political status, main industry and sources of income. It will also cover the Matignon and Nouméa Accords and examine their political implications. Chapter Three will discuss the other two French collectivities in the Pacific, French Polynesia and Wallis and Futuna, and offer further options for study. Chapter Four revisits the Rainbow Warrior and its enormous political and social fallout. Chapter Five looks at nuclear weapons testing in the South Pacific and how it became a long-standing irritant in New Zealand-France relations. Chapter Six will investigate the significance of war on Franco-New Zealand relations and the development of closer relations in the defence arena. Chapter Seven looks at the South Pacific treaties and agreements that have relevance to New Zealand and New Caledonia. Chapter Eight tells the story of the dramatic warming of relations following the end of nuclear weapons testing in 1996. Chapter Nine will investigate the political relationship between New Zealand and New Caledonia and opportunities for developing closer relations. Chapter 10 looks at the historical and strategic reasons for the underdeveloped cultural relationship between New Zealand and New Caledonia and Chapter 11 discusses opportunities to further develop trade and correct the current trade imbalance. Chapter 12 will summarise the main findings of the thesis and offer further ideas for pursuing the topic academically.

Notes on Sources, Nomenclature and Methodology

This thesis looks at the greater relationship between France and New Zealand with a focus on the South Pacific. The French collectivities Wallis and Futuna and French Polynesia will be discussed briefly but New Caledonia will receive the most attention. Previously known as 'French territories', French Polynesia and Wallis and Futuna are now referred to as overseas collectivities, while New Caledonia is referred to as a sui generis collectivity. For the purposes of this thesis, they will all be referenced as collectivities.

There is a good deal of scholarship in New Zealand covering the historic relationship between New Zealand and France, but less since the ending of French nuclear testing in the

South Pacific in 1996. Two exceptions are Stephen Hoadley's "New Zealand and France: Politics, Diplomacy and Dispute Management"⁸, which gives a detailed account of the sinking of the Rainbow Warrior and its trade and diplomatic implications, and the aforementioned Frédéric Angleviel and Stephen Levine's "New Zealand-New Caledonia, Neighbours, Friends, Partners"⁹, a collection of essays covering political relations, culture and trade. This thesis seeks to complement these two books and other historical literature with more contemporary scholarship and by drawing on extensive interviews of policy makers and diplomats.

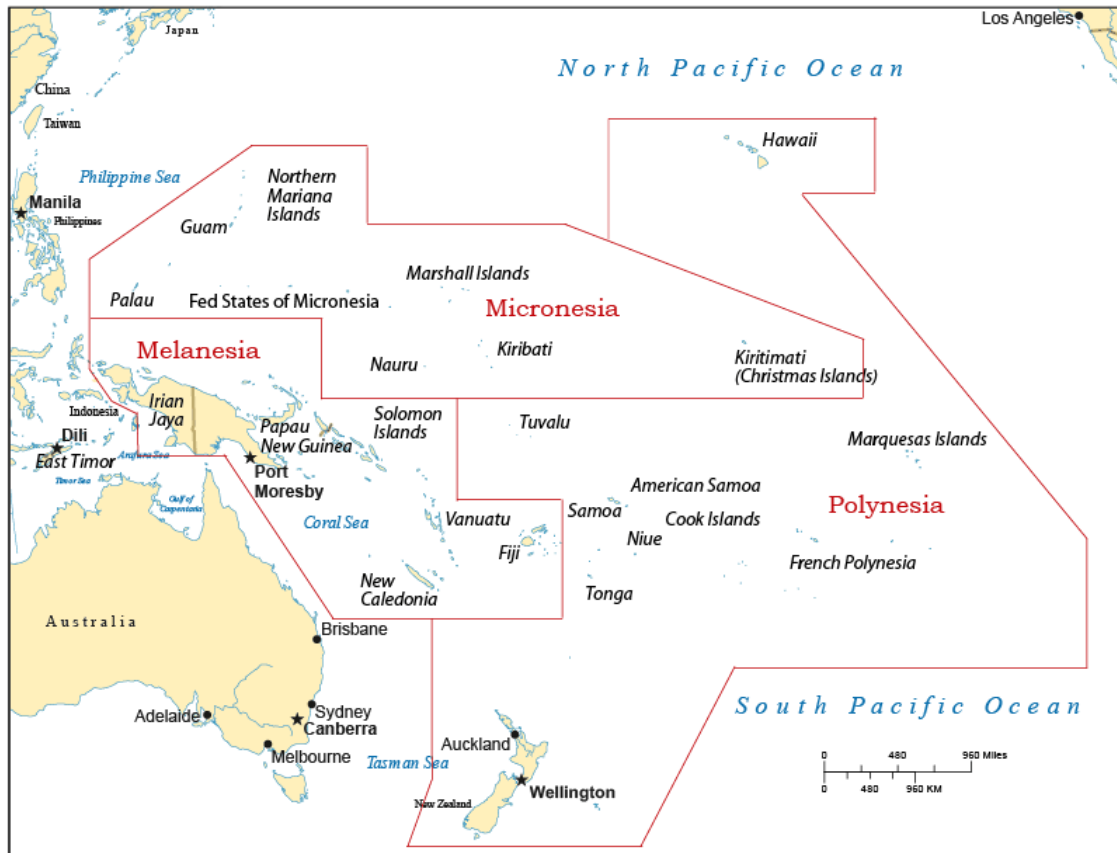
The thesis is primarily based on in-depth interviews with key decision makers in the Franco-New Zealand relationship in the South Pacific. Interviewed for this thesis were: the New Zealand Minister of Foreign Affairs and Trade (MFAT), the Honourable Murray McCully; the New Zealand Ambassador to France, Rosemary Banks; the CEO of the New Zealand Ministry of Foreign Affairs and Trade, John Allen; the French Ambassador to New Zealand until 2010, Michel Legras; the French Ambassador to New Zealand, Francis Etienne; New Zealand Consul-General to New Caledonia, Wallis and Futuna and French Polynesia, Simon Draper; Australian Consul-General to New Caledonia, Wallis and Futuna and French Polynesia, Anita Butler; Former Director of Pacific Division, New Zealand Ministry of Foreign Affairs and Trade, John Adank; Member of the New Caledonian Chamber of Commerce and Chief Executive Officer of A2EP Engineers, Pierre Kolb; Cooperation Adviser for Scientific and Cultural Cooperation with New Zealand, Government of New Caledonia, Dr Yves Lafoy; Senior Investment Officer, ADECAL, the New Caledonia Economic Development Agency, Alain Chung-Wee; Strategic Relations Adviser, New Zealand Trade and Enterprise (NZTE), David Aubergier; Adviser to Member of New Caledonian Government, Sonia Backes, Cameron Diver; Mining and Construction Marketing Manager, Komatsu Australia, Michael Christie; Head of International Relations, New Zealand Defence Force, Paul Sinclair; Head of Regional Cooperation and External Relations, Government of New Caledonia, François Bockel; former New Zealand Ambassador to France, Richard Woods and Deputy Economic and Commercial Counsellor, Embassy of France in New Zealand, Yassine Amraoui.

⁸ Stephen Hoadley, *New Zealand and France: Politics, Diplomacy and Dispute Management*, New Zealand Institute of International Affairs 2005

⁹ Frédéric Angleviel and Stephen Levine (editors), *New Zealand - New Caledonia, Neighbours, Friends, Partners*.

In terms of the methodology employed, this thesis draws on the tradition and methods of diplomatic history. It focuses principally on the words and actions of state representatives. Accordingly the story that it tells often draws on the speeches and remarks of officials, diplomats and politicians as well as the many interviews listed above. The thesis does not attempt to assign any type of political theory to the state of the relationship between New Zealand and France and between New Zealand and New Caledonia but that could be an interesting next step for an academic seeking to investigate the relationship in a more theoretical context.

Map of the South Pacific



Source: Map Resources. Adapted by CRS. 06/07

1. The Historical Relationship between New Zealand and France

In the mid 19th Century, there was strong competition between France and England in the South Pacific both in terms of colonising and evangelising. Britain sent the Protestant London Missionary Society and French priests sent Catholic Marists. Britain ultimately colonised New Zealand, but the South Island could very well have ended up French. As it transpired, the signing of the Treaty of Waitangi thwarted the attempts of French whaler and ship captain Jean-François Langlois to claim the South Island. Langlois purchased most of Banks Peninsula from local Māori for 1000 Francs in 1838. He returned to France to drum up interest in his plan, which was to set up a whaling community and to counter Britain's dominance in the North Island. He garnered the support of the French Prime Minister and on the back of this support secured financial backing for his plan.¹⁰ However by the time he came back to New Zealand in July 1840 with 53 French and German emigrants, Lieutenant Governor William Hobson had annexed the South Island for Britain. Langlois continued to whale from Akaroa and considered Banks Peninsula French sovereign territory. In 1848 he demanded the French government assert its authority over the Peninsula. However, that was not to be and his whaling company was eventually dissolved and Langlois returned to France.¹¹ Akaroa does retain some hints of its French past, mainly through its street names, but the few French people who settled there soon became anglicised. Akaroa has a French festival once a year and respects its French heritage, but as far as the French language being spoken or understood, it is no more so than any other New Zealand town or city.

¹⁰ Stephen Hoadley, *New Zealand and France: Politics, Diplomacy and Dispute Management*

¹¹ Jean-François Langlois, a French whaler and coloniser failed in his attempt to annex the South Island. Information obtained from the Encyclopaedia of New Zealand at www.teara.govt.nz/en/biographies/112/1

France annexed New Caledonia, French Polynesia and Wallis and Futuna Islands in the 19th Century. Vanuatu, then known as the New Hebrides, became a joint French and British condominium. Vanuatu is now independent although the French language is still spoken and France has a strong connection to it. Following the 1998 Nouméa Accord, New Caledonia has started to operate in a more independent way, being actively involved in the Pacific Forum and developing its own aid programmes for the Pacific. The first recipient of aid was Vanuatu.¹² In fact, since the signing of the Nouméa Accord, New Caledonia has negotiated a number of bilateral cooperation agreements with Vanuatu. New Caledonia has been authorised to sign the agreements on behalf of France. This is an example of New Caledonia's growing role as a regional actor in the South Pacific.¹³

The English colonised far more of the South Pacific than France did. The British Empire included Australia, New Zealand, Fiji, the Solomon Islands, Kiribati, Tuvalu and Papua New Guinea. Some of these countries remain part of the Commonwealth today but are autonomous, albeit with an enduring connection to Great Britain. New Zealand also has a close link with many Pacific nations including a political association with the Cook Islands, Niue and Tokelau whose residents are New Zealand citizens. New Zealand Consul-General to New Caledonia, Wallis and Futuna and French Polynesia Simon Draper describes New Zealand's and other Anglo Saxon countries such as the United Kingdom's and Australia's approaches to decolonisation as more of a "lock up and leave" method. This he says can be contrasted to France's more measured response to New Caledonia's emancipation via the Nouméa Accord which could take up to two decades to conclude. Draper does acknowledge that New Zealand has been willing to become reinvolved in a former colony if it was clear that its help was required.¹⁴ New Zealand Ambassador to France, Rosemary Banks cites the Cook Islands, Niue and Tokelau, whose citizens are still New Zealand citizens as being examples of New Zealand's "continued involvement with its former colonies".¹⁵ She says these countries still receive a significant amount of financial and other support from New Zealand. The recent Foreign Affairs, Defence and Trade (FADTC)

¹² Interview with Anita Butler, *Australian Consul-General to New Caledonia, Wallis and Futuna and French Polynesia*, 20 and 21 January, 2011

¹³ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia", from *Public Participation in Foreign Policy*, James Headley, Andreas Reitzig and Joe Burton, Palgrave MacMillan, 2012

¹⁴ Interview with Simon Draper, *New Zealand Consul-General to New Caledonia, French Polynesia and Wallis and Futuna*, 23 June, 2010 and January 20, 2011

¹⁵ Interview with Rosemary Banks, *New Zealand Ambassador to France*, February 17, 2011

Report on the Pacific also affirms New Zealand's responsibilities to what it calls its Realm entities, "those territories with which New Zealand has special constitutional relationships and whose populations are mainly citizens of New Zealand", stating that these Pacific Island states should be given priority in terms of support for education, health, law and order, justice and infrastructure. The report also acknowledges that these states should ensure that they meet their own obligations to generate domestic revenue so as not to be solely reliant on New Zealand.¹⁶

The French started nuclear weapons testing in the South Pacific in the 1960s, which marked the beginning of a period of strained relations between France, New Zealand and many other nations. These tests continued on and off until 1996. In 1985, the Greenpeace vessel Rainbow Warrior was bombed by French agents in Waitemata Harbour with the loss of a life. This event polarised not only the two governments, but also the two countries' citizens leading to many years of mistrust and resentment. Twenty-five years on, diplomatically it is not considered an irritant, however it is still a salient antagonist on an individual level, although not nearly as much as it was immediately after the bombing.

In 1986 New Zealand and Australia expressed concern to the United Nations (UN) about French colonial policy in the South Pacific, and requested New Caledonia be put on the UN's list of nations to be emancipated. Two years prior, New Zealand's liberal Labour government had felt confident that the socialist French government was moving towards supporting New Caledonia in its quest for independence and had resisted calls by Vanuatu to put pressure on the French government. However with the arrival of Jacques Chirac's conservative party in 1986, New Zealand believed France wanted to retain New Caledonia as a French territory and thus decided to step up the drive to help the island nation towards independence.¹⁷ New Zealand and Australia spearheaded the campaign, which culminated in a vote by the UN's General Assembly members. Lobbying was strong from both camps diplomatically and economically with France making threats to withdraw investment to certain countries or threatening difficulties over loans.¹⁸ Ultimately, the

¹⁶ "Inquiry into New Zealand's relationships with South Pacific countries", *Report of the Foreign Affairs, Defence and Trade Committee (FADTC)*, December 2010

¹⁷ David J. McCraw, "Idealism and Realism in the Foreign Policy of the Fourth Labour Government", *Political Science*, Vol. 53, No. 2, December 2001, pp 21-37

¹⁸ Stephen Hoadley, *New Zealand and France, Politics, Diplomacy and Dispute Management*

vote went strongly in favour of New Caledonia being re-inscripted onto the decolonisation list with a vote of 89 to 24 and 37 abstentions.¹⁹ This soured relations between New Zealand and France further, which were still suffering from the aftermath of the Rainbow Warrior. It might have been expected at this point in time that New Zealand's direct political relationship with New Caledonia would strengthen, given New Zealand's support of its emancipation from France. However, not all New Caledonians wanted nor indeed want independence, so only those actively seeking independence would have appreciated the New Zealand gesture.

Thus during the 1980s and 1990s, relations between France and New Zealand were at their lowest point ever. French Ambassador to New Zealand, Francis Etienne, expressed the opinion that had an interview with him to discuss relations between New Zealand and France for a master's thesis been requested at that time, it would undoubtedly have been turned down.²⁰ In 2010 and 2011, every person asked to comment on this thesis's topic willingly agreed to speak.

¹⁹ Ibid

²⁰ Interview with Francis Etienne, *French Ambassador to New Zealand*, 14 December, 2010

2. The History of New Caledonia

At the time of writing this thesis, the New Caledonian government had again collapsed. On February 16, 2011, members of a pro-independence party quit the government because of a dispute over the collectivity's flags. The Caledonian Union argued that the President of New Caledonia, Philippe Gomès had not respected an agreement to fly the Kanak flag alongside the French Flag.²¹ Gomès and his party resigned and as of May 2011 a new government has still not been formed. Gomès is calling for Paris to call New Caledonia's general elections three years early.²² The collapse of the New Caledonian government has meant the postponement of a planned diplomatic and trade mission to New Zealand by New Caledonian officials and business persons and the postponement of the start date for the first New Caledonian consular representative to New Zealand.

France annexed the islands of New Caledonia in 1853, and set up a penal colony. The colony closed in 1896. The financial stability of the native Melanesian Kanaks was undermined in the early days of colonisation after they were moved from the fertile land they had been living on to less fertile reserves where they were encouraged to pursue a traditional lifestyle. Meanwhile the European settlers set up ranches and nickel mines developing a modern financial economy.²³ Many Kanaks call where they live Kanaky and not New Caledonia.

There were two major uprisings by the Kanaks against the French settlers in the late nineteenth and early twentieth centuries, one in 1878 and another in 1917.²⁴ After these uprisings, it was not until the late 1960s that historians recorded the early ethnic conflict between the Kanaks and the French in any detail. The two main factors, which contributed to this absence of historical record, were the sense of shame Kanak people endured when

²¹ "Radio Australia Broadcast, February 16, 2011" reported in the *Pacific Islands Report*, February 18, 2011

²² "Radio New Zealand International Broadcast, February 19, 2011" reported in the *Pacific Islands Report*, February 21, 2011

²³ Karin V. Stokirch, "The Regional Review, International Issues and Events, 2000", *The Contemporary Pacific*, Vol. 13, No. 2, Fall 2001, pp. 509-528 001

²⁴ Thomas Lum and Bruce Vaughn, "The Southwest Pacific: U.S. Interests and China's Growing Influence", *Congressional Research Service Report for Congress*, July 6, 2007

confronted by defeat and also the sense of shame felt by the European settlers for the genocidal repression that followed.²⁵

New Caledonia is a French collectivity with approximately 250,000 inhabitants made up of around 35 per cent French of European extraction, 45 per cent indigenous Melanesian Kanaks, 10 per cent Wallisians (from Wallis and Futuna), three per cent Tahitians, one percent Vietnamese and six percent people of other descent.²⁶ Of the French of European extraction, some are multi-generation Europeans who are called les Caldoches and may have never been to France and others were born in France and are called les Metropoles or les Metros. Although the term Caldoches has been coined, according to Cameron Diver, Adviser to Sonya Backes a Member of the New Caledonian government, it has a somewhat derogatory connotation and is not often used by European New Caledonians born in New Caledonia to refer to themselves.²⁷ French is the official language, however there are 28 other Kanak languages spoken and many other languages from Vietnamese to Tahitian. The Kanaks are the main supporters of independence, although not all Kanaks want it. The Kanak independence movement is the Front de Libération Nationale Kanak et Socialiste or Front for National Kanak Socialist Liberation (FLNKS). It is a pro-independence alliance of political parties and was founded in 1984.

New Caledonia's main industry and export product is nickel. It is the third largest source of nickel in the world and is estimated to have one quarter of the world's reserves. It also has significant deposits of cobalt, chrome and gold.²⁸ In 2006, nickel accounted for around 18 per cent of New Caledonia's Gross Domestic Product (GDP).²⁹ The nickel industry employs a good proportion of the available talent in New Caledonia. Nickel is a key ingredient in stainless steel. Most of the nickel is exported to Japan, South Korea and Europe. China is not yet a regular client, but Chinese operators have recently approached New Caledonian nickel exporters to discuss their requirements for the metal.

²⁵ Lorenzo Veracini, "The 'Shadows of the Colonial Period' to 'Times of Sharing' History Writing in and about New Caledonia/Kanaky, 1969 – 1998", *The Journal of Pacific History*, Vol. 38, No. 3 (Dec. 2003), pp. 331-352

²⁶ Leah S. Horowitz, "Toward a Viable Independence? The Koniambo Project and the Political Economy of Mining in New Caledonia", *The Contemporary Pacific*, Vol. 16, No. 2, Fall 2004, pp. 287-319

²⁷ Interview with Cameron Diver, Adviser to Member of New Caledonian Government, Sonia Backes, 19 January 2011.

²⁸ Thomas Lum and Bruce Vaughn, "The Southwest Pacific: U.S. Interests and China's Growing Influence"

²⁹ Information obtained from the French Embassy in New Zealand, May 2011

New Zealand doesn't import New Caledonia's nickel, although Australia does, refining it and then exporting it. The price of nickel fell almost 50 per cent after the global financial crisis in 2008, but it has recovered somewhat and continues to be the most important income earner for the French collectivity, which still receives financial support from France.³⁰ France does not get any income from New Caledonia's nickel exports.

New Caledonia is a rich Pacific nation with a per capita GDP higher than New Zealand however it is heavily subsidised by France. In Nouméa, shops, restaurants and supermarkets are of a similar standard to those found in New Zealand and France and a much higher standard than the non-hotel restaurants found in other Pacific island nations such as Fiji, Samoa and the Cook Islands. In New Caledonia restaurants and shops are frequented by locals and tourists, however they tend to be less frequented by the Kanak population (particularly in Nouméa) and, although more widespread than in the past, it is still uncommon to see a Kanak and a European New Caledonian sitting down together for a meal.³¹ One is more likely to see a Kanak in a service role in restaurants and hotels. That being said, the relationship between the Kanaks and the rest of the New Caledonian population has improved dramatically since the violence in the fight for independence in the 1980s and it has been observed that young Caldoches, Metros and Kanaks in Nouméa dress similarly and speak in the same French accent using the same French phrases.³² In spite of this movement towards a more integrated society, the disparity in income between the rich and poor remains substantial with a factor of one to eight compared to France where it is one to six.³³ Although Kanaks are represented in the French and in the European parliaments and have a right to work in France, few can afford the airfare.³⁴

Following the establishment of FLNKS in 1984, the Kanak fight for independence began to gain momentum. It has been suggested that not only was it a fight to re-establish the

³⁰ David Chappell, "Melanesia in Review Issues and Events 2009, New Caledonia", *The Contemporary Pacific*, Vol. 22, No. 2, Fall 2010, pp. 433-440

³¹ Interview with Cameron Diver

³² Michel Pérez, "From Franconesia to Euronisia: What future for France, and the European Union, in the South Pacific?" *The Journal of Pacific Studies*, Vol. 27, No. 1, 2004, 95 - 108

³³ Interview with Alain Chung-Wee, *Senior Investment Officer, ADECAL, the New Caledonia Economic Development Agency*, 18 January, 2011

³⁴ Helen Ware, "Demography, Migration and Conflict in the Pacific", *Journal of Peace Research*, vol. 42, no. 4, 2005, pp. 435-454

Kanaks' rights as the indigenous people of New Caledonia but also it was a reaction to the environmental degradation and social dislocation resulting from the massive nickel mining operations which had forced many Kanaks from their original homes.³⁵ The question as to who will control the land and the extraction of its minerals means as much to the Kanaks in their fight for independence as matters of sovereignty.³⁶ New Zealand and Australia urged the UN to put New Caledonia on its decolonisation list and in 1986 New Caledonia was added. French Polynesia is not on the list, although the collectivity's pro-independence leader Oscar Temaru has used the Pacific Islands Forum meetings and UN decolonisation meeting in New Caledonia to ask the UN to add it.³⁷

The hostage taking at Ouvéa Island on April 22, 1988 is regarded not only as the turning point of this fight for independence but also as one of the bloodiest episodes in New Caledonia's recent history. It was a tragedy, which brought it to the brink of civil war.³⁸ Kanak militants killed four French gendarmes, stole armaments and took 27 others hostage in a cave on the island, demanding a new referendum on self-determination. On May 2 1988, France sent in a group of elite military commandos to the cave. The subsequent assault resulted in the deaths of nineteen Kanaks and two French soldiers.³⁹ The fallout from the massacre at Ouvéa was profound. The French military was accused of barbarism after post-mortem exams on those killed showed some died execution-style or from a lack medical attention.

The hostage tragedy and deaths deeply affected the collectivity, its relationships with its South Pacific neighbours and with France. During the uprising, Australia supported the Kanaks openly. The French did not like this because they felt it was a moral judgement coming from a country that had treated its indigenous people in a far worse way.⁴⁰

³⁵ Guy Wilson-Roberts, "The Prevention of War: Dilemmas for Policy Making in New Zealand", *Political Science*, Vol. 52, No. 2, December 2000, 126-141

³⁶ M. Anne Brown, "Development and Security in the Pacific Island Region", *Policy Paper, the Security-Development Nexus Program*, International Peace Academy, September 2006

³⁷ "Temaru to attend UN decolonisation seminar in New Caledonia", *Tahiti Presse*, May 17th, 2010

³⁸ Stephen Henningham, "Keeping the Tricolor Flying: The French Pacific into the 1990s", *The Contemporary Pacific*, Spring/Fall 1989

³⁹ Leah S. Horowitz, "'It's up to the clan to protect': Cultural Heritage and the micropolitical ecology of conservation in New Caledonia", *The Social Science Journal* 45 (2008) 258-278

⁴⁰ Interview with Alain Chung-Wee, *Senior Investment Officer, ADECAL, the New Caledonia Economic Development Agency*

New Zealand's relations with France were already strained over French nuclear testing and New Zealand's drive to get New Caledonia on the UN's decolonisation list. The 1988 bloodshed on Ouvéa Island merely served to further sour these relations. France however quickly responded to the tragedy by tasking the socialist French Prime Minister Michel Rocard to develop some form of emancipation plan with the leaders of the loyalist and independentist movements in New Caledonia. Thus the Matignon Accords were duly signed on June 26, 1988 at the Prime Minister's Matignon offices in Paris by Rocard, the leader of the independentist FLNKS, Jean-Marie Tjibaou and the leader of the loyalist Rassemblement pour la Calédonie dans la République or Rally for Caledonia in the Republic (RPCR), Jacques Lafleur.⁴¹ The Accords set up a ten-year interim settlement between the independentists and loyalists whereby in 1998, the constitutional future of New Caledonia would be decided. Tragically, less than one year after the Matignon Accords were signed, while attending a memorial on Ouvéa Island, Jean-Marie Tjibaou was killed by an independence fighter who was protesting what he felt was Tjibaou's acquiescence to the loyalists when he signed the Matignon Accords.⁴²

In spite of the violence and bloodshed of the 1980s, relations within New Caledonia calmed fairly quickly. Credit for this is given to the Matignon Accords, which recognised the Kanaks' place in society and acknowledged that they should be allowed to share the spoils of the mining industry. However there is concern among Kanaks twenty years on from the Accords that the commitments to more fully involve them economically and politically are not being adhered to.⁴³

Ten years later, the same parties signed the Nouméa Accord. It has been described as a continuation of the Matignon Accords but it outlines much more specific measures and also a transfer of some powers to New Caledonia.⁴⁴ The Accord defines New Caledonia's institutions and provides a framework under which it is currently governed, allowing for the transfer of certain powers to local authorities. New Caledonia has irreversible jurisdiction over tax, health, labour and social security, foreign national work permits,

⁴¹ Stephen Henningham, "Keeping the Tricolor Flying: The French Pacific into the 1990s"

⁴² Leah S. Horowitz, "Toward a Viable Independence? The Koniambo Project and the Political Economy of Mining in New Caledonia"

⁴³ M. Anne Brown, "Development and Security in the Pacific Island Region"

⁴⁴ Leah S. Horowitz, "Toward a Viable Independence? The Koniambo Project and the Political Economy of Mining in New Caledonia"

customs, trade, fishing, mining, primary education and exploitation of Exclusive Economic Zone (EEZ) resources. France retains powers such as citizenship, defence, justice and secondary education.⁴⁵ The Accord addresses the issues of Kanak cultural identity, electoral rules of the New Caledonian government, its social and economic development and most importantly its future political evolution.⁴⁶

Between 2014 and 2018, New Caledonia's citizens will decide what they want their relationship with France to be. The Accord allows the New Caledonian Congress to hold up to three referenda to decide by at least a three-fifths majority whether New Caledonia should assume full sovereign independence. If a date for these referenda is not achieved within the stated time frame, the power to conduct them transfers to France.⁴⁷ Essentially New Caledonians have three choices; first, to maintain the status quo whereby New Caledonia remains a collectivity of France; second, to become fully independent; and third, to become an associated state of France, similar to Niue's relationship with New Zealand. This last option would mean more independence than New Caledonia currently has, but continued financial, military and judiciary support from France. New Caledonians would also remain citizens of France. Simon Draper suggests about 40 per cent of the population want independence, 40 percent want France and 20 per cent don't know.⁴⁸ Scientist and New Caledonian consular representative to New Zealand-elect, Dr Yves Lafoy says that a majority of New Caledonians are seeking more autonomy from France - according to the Nouméa Accord - while in favour of remaining under France's umbrella regarding the so-called "Regalian Powers" (justice, defence, law and order, currency and international relations).⁴⁹

Cameron Diver, Adviser to Member of New Caledonian government Sonia Backes, says that many European New Caledonians believe that New Caledonia should not have political independence because it is not a financially viable option. Pro-independence Kanaks,

⁴⁵ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

⁴⁶ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

⁴⁷ Australian government's website www.dfat.gov.au/geo/new_caledonia/new_caledonia_brief.html

⁴⁸ Interview with Simon Draper, *New Zealand Consul-General to New Caledonia, French Polynesia and Wallis and Futuna*

⁴⁹ Interview with Dr Yves Lafoy, *Cooperation Adviser for Scientific and Cultural Cooperation with New Zealand, Government of New Caledonia*, 11 October 2010.

whilst aware of the economic implications of independence, tend to have a more philosophical belief, which is that independence should be an aspect of pride rather than money. Linked to that philosophy and their strong ties to a traditional lifestyle, less encumbered by material considerations, Kanaks may also have a different perspective from Europeans on the expected standard of living. In the event of full independence, which would probably entail a major reduction in funding directly injected into New Caledonia's economy by the French government, the risk would be that all New Caledonians be required to adjust their standard of living downward.⁵⁰

Simon Draper says the Kanaks see the Nouméa Accord as their Treaty of Waitangi and that they see themselves as akin to New Zealand Māori.⁵¹ Since 2000 as part of the Nouméa Accord, New Caledonia has taken responsibility for its own industrial relations and international trade and is permitted to sign some international agreements. With its increased presence in the region, New Caledonia hosted the third France-Oceania Summit in July 2009, which was attended by many high-ranking representatives from Pacific nations including Australia and New Zealand. However there were some heated scenes during the Summit, with disgruntled unionists clashing with police and the pro-independence Caledonia Union Party criticising the French stance in the region and calling the Summit a farce.⁵²

Pro-French leader Jacques Lafleur died in Australia in December 2010 at the age of 78. He was a staunch French loyalist and the handshake he had with independentist Jean-Marie Tjibaou at the signing of the Matignon Accords is an indelible memory for all New Caledonians. His legacy, whether one is a supporter or not, is so significant that a trade and diplomatic mission to New Zealand which was due to take place in December 2010 was rescheduled because of his death. A diplomat from the New Caledonian government described the day of his death as a national day of mourning. The trade mission to New Zealand was postponed twice more during 2011 but is expected to take place in the near future.⁵³

⁵⁰ Interview with Cameron Diver

⁵¹ Interview with Simon Draper

⁵² Radio New Zealand broadcast, 31 July 2009

⁵³ Information obtained from an email exchange with François Bockel, *Head of Regional Cooperation and External Relations, Government of New Caledonia*, December 2011

Under the Nouméa Accord, New Caledonia has a mandated collegiate government, which has representatives from all the major political parties, selected by proportional voting. The New Caledonian government ousted in 2011, which was formed after the 2009 elections and had more pro-France seats than pro-Independence at 31 to 23. There is often confusion between the New Caledonian Congress (54 seats) and the Government (11 seats). It is worth noting that it was the Government, which was ousted, not the Congress. Moreover, the people elect the Congress, the Congress elects the Government and the Government elects its president.⁵⁴

There are three Provincial Assemblies from the Southern, Northern and Island provinces. The New Caledonian Congress is made up of the 54 members from these three Provincial Assemblies.⁵⁵ In 2011, the Head of State of New Caledonia was the President of France, Nicolas Sarkozy. The President of the government of New Caledonia was - until February 16, 2011 - Philippe Gomès and in 2011 the French High Commissioner to New Caledonia was Albert Dupey. At the time of writing, the New Caledonian government is only transitional.

The Nouméa Accord schedule has slipped after a weakening of pro-France representation in parliament and a more extreme independence party.⁵⁶ There has also been criticism of the impartiality of France as a signatory of the Accord given that then current French President Nicolas Sarkozy has said that total independence is not really a possibility in the French territories and that their new forms of government will still be expected to come under the framework of the French Republic.⁵⁷ New Caledonians are taking their time deciding what they will do about their independence and the French collectivity is still deeply divided. Cameron Diver says that about 85 to 90 per cent of the time, Kanaks and Europeans live parallel lives. “Le Destin Commun” or the “Common Destiny” is a phrase often used in New Caledonia. It symbolises the overarching objective that all communities in New Caledonia live happily together but Diver says it is, for the moment, mainly

⁵⁴ Cameron Diver, “Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia”

⁵⁵ Australian Government’s website dfat.gov.au/geo/new_caledonia/new_caledonia_brief.html

⁵⁶ Denise Fisher (Australian Consul-General, New Caledonia, Wallis and Futuna and French Polynesia 2001-2004), “France’s mixed messages for the Pacific”, www.lowyinterpreter.org, 28 January 2010

⁵⁷ Denise Fisher, “France’s mixed messages for the Pacific”

rhetoric. For example, he says there is a Kanak dance called the Pilou. Some European New Caledonians will dance the Pilou, but they may not understand what it really means to the Kanak population and it is not, therefore, fully integrated as a part of a shared New Caledonian culture.⁵⁸ French Ambassador to New Zealand Francis Etienne says New Caledonia needs to feel more part of the region and its political leaders are now willing to get involved and have a stronger connection with their South Pacific neighbours.⁵⁹ Once New Caledonia does become more of a part of the region, which is already happening and will continue to develop regardless of what level of independence it chooses, the political, cultural and trade relationship it enjoys with New Zealand should develop further. For example, even now before any of the three potential independence referenda have been held, New Caledonia is able to make agreements with other regional states and has a say in any international affairs in which it is involved.⁶⁰ With its presence at the Pacific Forum still relatively recent, the direct contemporary relationship with New Zealand is relatively new, so it cannot be expected to be as strong and developed as the one New Zealand has with France.

New Zealand Ambassador to France, Rosemary Banks, says France would like to be able to reduce the degree of support it gives to New Caledonia, but it would not just walk away from the relationship. France is listening to New Caledonia as part of the Nouméa Accord and will retrench its support to the degree New Caledonia votes. She believes that France will support this collectivity whether it chooses independence, remains a part of France or becomes a mixture of the two.⁶¹

⁵⁸ Interview with Cameron Diver

⁵⁹ Interview with Francis Etienne, *French Ambassador to New Zealand*

⁶⁰ Michel Pérez, "From Franconesia to Euronesia: What future for France, and the European Union, in the South Pacific?" *The Journal of Pacific Studies*, Vol. 27, No. 1, 2004, 95 - 108

⁶¹ Interview with Rosemary Banks, *New Zealand Ambassador to France*

3. French Polynesia and Wallis and Futuna

This thesis's primary focus is on the relationship between New Caledonia and New Zealand in context of the overall relationship between France and New Zealand. The relationship between New Zealand and Wallis and Futuna and French Polynesia, the other French collectivities is significant but outside the focus of this thesis. For this reason, a very brief political, trade and cultural overview will be given here. An interesting field of study would be to examine the relationship between New Zealand and French Polynesia in a similar way as has been done between New Zealand and New Caledonia in this thesis.

Wallis and Futuna is a very small group of islands with only 15,000 inhabitants and a physical land size of 274 square kilometres. French Polynesia's physical land is 4,167 square kilometres and New Caledonia's islands make up 19,060 square kilometres.⁶² Both New Caledonia and French Polynesia have similar sized populations at around 250,000 although New Caledonia is not as densely populated, with around 13 persons per square kilometre compared to 59 for French Polynesia.⁶³ Wallis and Futuna's Polynesian population is called Wallisian. More Wallisians live off the Wallis and Futuna Islands than live on them. Most of these Wallisians live in New Caledonia. In the late nineteenth century, the Catholic Church ran the islands of Wallis and Futuna. It became a French territory in 1959 and is almost 100 per cent dependent on French assistance.⁶⁴

French Polynesia became a French collectivity in 2004. It is part of France but has its own government like New Caledonia. French Polynesia is politically unstable and has changed its President ten times since 2004. That being said, only three men have held this position on and off during this period. Temaru has been president of French Polynesia four times since 2004. The President of French Polynesia at time of writing is Gaston Sang Tong, who is pro-French. The third man to hold the presidency is Gaston Flosse, who is also pro-French. Flosse has been President on and off since 1984, with a near 13 year term from 1991.⁶⁵ To say France has become exasperated with the political instability in French

⁶² Geoffrey Bertram, "On the Convergence of Small Island Economies with their Metropolitan Patrons", *World Development*, Vol. 32, No. 2, pp. 343-364, 2004

⁶³ John Asafu-Adjaye, "Environmental Quality and Economic Growth: The Case of Pacific Island Countries", *South Pacific Studies*, Vol. 29, No. 1, 2008

⁶⁴ Stephen Henningham, "Keeping the Tricolor Flying: The French Pacific into the 1990s"

⁶⁵ "Regions and territories: French Polynesia", <http://news.bbc.co.uk>, 11 December 2010

Polynesia would be an understatement. France has tried direct intervention by sending auditors there to assess the political instability and it has commissioned detailed reports and outlined recommendations about how stability could be returned to the local government. The current three-way battle is among independence leader Oscar Temaru and the pro-French Gaston Flosse and Gaston Tong. Temaru has been described as idealistic, which is understandable given the fact that the island group is so dependent on French funding and has few opportunities to generate its own income. Simon Draper, who represents New Zealand in both New Caledonia and French Polynesia, believes that the different fortunes of these two collectivities have a significant impact on their respective political stability.⁶⁶ As mentioned already, French Polynesia is not the only French collectivity in flux as New Caledonia has been without a government for four months at the date of writing this thesis.

Over half of French Polynesia's imports come from France and almost 100 per cent of Wallis and Futuna's.⁶⁷ While New Caledonia is still enjoying the spoils of the nickel industry, French Polynesia's main industries are under increasing strain.⁶⁸ Since the 2008 recession the tourism industry has been particularly hard hit. Whereas several years ago it was known for exclusive and luxurious bures over the water on its islands of Moorea and Bora Bora, similar bures are now available at much less expensive destinations.⁶⁹ The Tahitian pearl industry is struggling after an over production of pearls affected quality and thus the industry's reputation.⁷⁰

As in the case of New Caledonia, French Polynesia's currency is tied to the Euro, so it has become internationally expensive although in the past year or so this has somewhat eased with the weakening of the currency. French Polynesia's EEZ is huge in comparison with its land size, being 5.03 million square kilometres and 47 per cent of France's overall EEZ.⁷¹ New Zealand currently exports around NZ\$160 million annually to French Polynesia, primarily made up of marine products and food for the hotel industry.

⁶⁶ Interview with Simon Draper

⁶⁷ Geoffrey Bertram, "On the Convergence of Small Island Economies with their Metropolitan Patrons"

⁶⁸ Interview with Simon Draper

⁶⁹ Ibid

⁷⁰ Ibid

⁷¹ New Zealand Ministry of Foreign Affairs and Trade's website.
www.mfat.govt.nz/Countries/Pacific/French-Polynesia.php

New Zealand and French Polynesia are historically linked and it is thought that when Māori first travelled to New Zealand, they came from the French Polynesia region. The Māori and French Polynesian languages are very similar (just as Māori and Cook Island Māori are) and Māori speakers and native French Polynesian speakers can understand each other. In May 2011, France returned a toi moko (a tattooed, preserved Māori head) to New Zealand's national museum Te Papa. This is the first of a number of heads which will be returned to New Zealand from France. The first head had been in a museum in France for over a hundred years. A senator from French Polynesia attended the ceremony and gave a speech in his native language, which was understood by the Māori speakers in attendance.⁷²

⁷² Interview with Yassine Amraoui, *Deputy Economic and Commercial Counsellor, Embassy of France in New Zealand*, May 12, 2011

4. The Rainbow Warrior

Although the Rainbow Warrior sinking continues to taint relations (albeit much less so than directly post the event) between France and New Zealand on a public level, politically the two countries have put the episode behind them. It is still worth addressing, however, inasmuch as it gives some context to the current relationship. This thesis is about the underdeveloped relationship between New Zealand and New Caledonia compared to that between New Zealand and France. The Rainbow Warrior appears to have had a similar impact on both of these relationships and is thus not a factor strengthening or lessening one over the other.

Twenty-five years ago, the lead vessel in the Greenpeace Fleet the Rainbow Warrior was bombed and sank in Auckland's Waitemata Harbour with the loss of a life. The Rainbow Warrior was being prepared to observe French nuclear weapons testing in the South Pacific. Its bombing, it transpired, was nothing less than an act of State-sponsored terrorism. Thanks to public vigilance and an unusually incompetent operation mounted by the French military secret service, the bombers were apprehended. The public and media reaction to the bombing of the Rainbow Warrior was marked by emotion. There were angry scenes and requests for a boycott of all French goods. Opposition party leaders called the New Zealand government of the time weak and accused it of kowtowing to French pressure.⁷³

France threatened to embargo New Zealand exports to Europe if New Zealand did not release the two French nationals convicted of the bombing. Eventually a compromise was reached which included a financial payment by France to New Zealand in exchange for the transfer of Rainbow Warrior bombers Alain Mafart and Dominique Prieur from a New Zealand prison to Hao Atoll in the South Pacific. A French military head resigned in disgrace and ultimately Mafart and Prieur spent only three years behind bars before they were released prematurely, repatriated to the mainland and allowed to resume their careers.⁷⁴ Those trying to understand the ongoing effect of the Rainbow Warrior incident must also recognise that this bit of political manoeuvring by the French merely added to

⁷³ Stephen Hoadley, *New Zealand and France: Politics, Diplomacy and Dispute Management*

⁷⁴ David Robie, "Revisiting French Terrorism in the Pacific, Rainbow Warrior Bombing", *Pacific Ecologist*, Autumn 2006

the sense of hurt felt by ordinary New Zealanders. Some of the French players in the plot were never brought to trial.

Certain trade concessions and financial compensations were also given by France at this time. As a result of the bombings, France played a key role in opening the European market to New Zealand lamb. The high quotas of meat allowed into the EU are still in place 25 years after the bombing. One of the consequences of this move by the French government was the eventual decline in the French lamb industry which could not compete with New Zealand's year round lamb availability. A small amount of lamb production still exists in France for the large Muslim community, which only consumes fresh lamb.⁷⁵

Former Director of the Ministry of Foreign Affairs and Trade's (MFAT's) South Pacific Division, John Adank, says the Rainbow Warrior was an important turning point in French New Zealand relations and ultimately it led to a positive conclusion. This, he believes, is because the event forced France to take greater notice of its bilateral relationship with New Zealand as well as its broader relations with the wider Pacific and ultimately led to a maturing of both relationships.⁷⁶ However former French Ambassador to France, Michel Legras, says that the resentment by ordinary New Zealanders towards France lingers 25 years on and that invariably it would come up as a topic of conversation during his formal and social meetings in New Zealand.⁷⁷ This is in contrast to the experience of the current French Ambassador to New Zealand, Francis Etienne, who says that in his first six weeks in the job, no one has mentioned the Rainbow Warrior. He believes New Zealanders have moved on from the incident and are more interested in talking about relationship building and trade.⁷⁸ Richard Woods, New Zealand Ambassador to France from 1995 until 1999 concurs. He does not believe the legacy of the Rainbow Warrior gets in the way of the relationship between France and New Zealand. He says it will be mentioned, of course, but

⁷⁵ Interview with Yassine Amraoui, *Deputy Economic and Commercial Counsellor, Embassy of France in New Zealand*

⁷⁶ Interview with John Adank, former *Director of Pacific Division, New Zealand Ministry of Foreign Affairs and Trade*, 23 June, 2010

⁷⁷ Interview with Michel Legras, *French Ambassador to New Zealand 2006 – 2010*, 24 May, 2010

⁷⁸ Interview with Francis Etienne

inasmuch as Australians will hear about under-arm bowling in cricket⁷⁹ for years to come.⁸⁰ Although theoretical, there are clearly different trains of thought about how much of an impact the Rainbow Warrior still has on international relations. The Minister of Foreign Affairs and Trade, Murray McCully, says that the event cast a pall over the relationship for a long time, but both sides have now moved on.⁸¹ The Australian Consul-General to New Caledonia, French Polynesia and Wallis and Futuna, Anita Butler, believes any lingering resentment could stem from the way the event became so personal to New Zealand citizens. This is contrasted with differences Australia and France have had over colonisation and nuclear testing in the South Pacific, which she says were on a government-to-government level.⁸² The Rainbow Warrior affected ordinary New Zealanders, who took deep personal offence and saw it as an attack on New Zealand by the French. This reaction upset France and its citizens, who while acknowledging it was a mistake with tragic consequences, believed it was a misplaced attack on Greenpeace, not an attack on New Zealand. They still cannot understand why it made them so reviled.

New Zealand's Ambassador to France, Rosemary Banks, says that in the year she lived in Wellington preparing for her Paris posting, New Zealanders were unfailingly positive about France and she felt that this was a genuine enthusiasm. She does acknowledge that the Rainbow Warrior bombing and its aftermath was a bad period in the two countries' relationship and although there will always be a certain level of anxiety, it most certainly has dissipated. She says that since moving to Paris six months ago, the topics of the Rainbow Warrior and French nuclear weapons testing in the South Pacific generally do not come up in social or formal situations.⁸³ However, Strategic Relations Adviser at the NZTE, David Aubergier, who is French and worked for the French Embassy in New Zealand before the NZTE, believes the Rainbow Warrior is still an issue in New Zealand and knows

⁷⁹ In 1981 during a one-day cricket match between Australia and New Zealand, Australian Trevor Chappell bowled an underarm ball to prevent the batsman from getting a six and tying the match. Although legal, the move was denounced as poor form and has never been forgotten

⁸⁰ Interview with Richard Woods, *New Zealand Ambassador to France*, 1995 – 1999, 22 February 2011

⁸¹ Interview with Murray McCully, *New Zealand Minister of Foreign Affairs and Trade*, 24 February 2011

⁸² Interview with Anita Butler, *Australian Consul-General to New Caledonia, Wallis and Futuna and French Polynesia*

⁸³ Interview with Rosemary Banks

of instances where children of French Embassy staff have been teased at school because of it.⁸⁴

Interviews with key stakeholders suggest that, perhaps not surprisingly, New Zealanders and the French are divided over the influence of the Rainbow Warrior on relations between the two countries. While one must be careful drawing too much from a relatively small sample of in-depth interviews and some anecdotal conversations, there must be significance to the fact that more than half those formally interviewed felt the Rainbow Warrior was still important in shaping relations between New Zealand and France. The wounds are not as fresh as they were 25 years ago, but indubitably the relationship has been damaged. Although New Zealand diplomats and politicians are eager to strengthen ties both economically and politically with France, New Caledonia and French Polynesia, public sentiment cannot be discounted. The lingering and perhaps latent resentment held in New Zealand and New Caledonia although subtle and waning, does influence the development of ties, particularly from a cultural perspective. From a trade perspective, the focus appears to be more on increasing New Caledonia's exports to New Zealand and on understanding the complexities of setting up a business in the respective locations, and the Rainbow Warrior is not relevant. Politically also, the two South Pacific neighbours have officially moved on from the Rainbow Warrior and in any event, New Caledonia was on the periphery of the affair and it is only relevant in that its citizens are French and the boat used to transport the mines was registered in New Caledonia. The bombers of the Rainbow Warrior chartered their 11-metre sloop, Ouvéa, in Nouméa to transport the explosives to New Zealand.⁸⁵

⁸⁴ Interview with David Aubergier, *Strategic Relations Adviser, New Zealand Trade and Enterprise*, 23 November 2010

⁸⁵ David Robie, "The Rainbow Warrior bombers, media and the judiciary: Public interest v privacy", *The Public Right to Know Conference*, University of Technology, Sydney, 23-25 November 2007

5. Nuclear Weapons Testing in the South Pacific

“...that sense of belonging – of looking to the skies, seeing the Southern Cross, and feeling at home – underlies much of the regional opposition to France’s nuclear policy (and this emotion against “outsiders” from Paris rings just as true in Australia and New Zealand as in the islands)”⁸⁶

In 1963 France set up the Centre d’Expérimentations du Pacifique on Mururoa Atoll where it tested 41 nuclear weapons atmospherically until opposition from the Pacific and further afield made France reconsider and take its experimentation underground. There, until 1996, it continued developing its Force de Frappe under vigorous protest from New Zealand and other nations.⁸⁷

By the late 1960s New Zealand’s opposition to France’s nuclear weapons testing in the South Pacific had grown substantially. In order to make its dislike known on the world stage, New Zealand signed various agreements and treaties against nuclear weapons development including the 1968 Nuclear Non-Proliferation Treaty and the 1971 Seabed Arms Control Treaty.⁸⁸ New Zealand, often alongside Australia, made several submissions to the UN General Assembly’s First Committee and the UN Conference on the Committee on Disarmament, among others.⁸⁹

Ultimately the UN General Assembly condemned the French Nuclear tests and after being presented with two large national petitions in 1973 from New Zealand and Australia, it took France to the International Court of Justice. A judgement by the Court that France cease its testing of nuclear weapons in the South Pacific was ignored by France on the basis that the International Court of Justice was not competent to pass judgement on what France believed was purely a defence matter. The Court insisted it was a health not a defence issue, but France again chose to ignore the order. That same year a flotilla of yachts and two New Zealand navy frigates went to Mururoa as a symbolic act of protest. France was forced to postpone tests because of the presence of civilians but eventually the

⁸⁶ Nic Maclellan, “The Nuclear Age in the Pacific Islands”, *The Contemporary Pacific*, Vol. 17, No. 2, 363-372, 2005

⁸⁷ Greg Fry, “South Pacific Security and Global Change: The New Agenda”, *Working Paper*, Australian National University, Department of International Relations, 1999/1

⁸⁸ Stephen Hoadley, *New Zealand and France: Politics, Diplomacy and Dispute Management*

⁸⁹ Ibid

tests started again, albeit underground rather than in the atmosphere. At the same time, French Polynesia, in whose territory these nuclear tests were taking place, was also protesting, as were dozens of other nations.⁹⁰

From the late 1940s until the early 1960s Great Britain and the United States conducted atmospheric nuclear weapons tests on Bikini, Enewetak and Johnston Atolls and Christmas Island. Michel Legras believes that New Zealanders feel resentment about France's nuclear testing, but not about Britain and the United States.⁹¹ However, the New Zealand and other governments had expressed concern over the earlier tests. The then New Zealand Prime Minister, Sidney Holland, wrote a letter to British Prime Minister Winston Churchill in 1954, which read in part:

“...that the United States are preparing an independent policy in atomic development and, while I recognise the importance of this work, for our own security, I am concerned at the same time, that it should be managed on a basis which will avoid dangers or injury to the peoples of the Pacific islands and their foodstuffs and in a way which will not cause any loss of confidence in the United States among friendly nations...”⁹²

In addition to the New Zealand government, unions, church groups and individuals wrote letters and organised petitions against the testing of the hydrogen bomb in the South Pacific. Eventually, however, after Winston Churchill suggested that should the United States not be fully armed the allies would not be able to defend themselves in the event of the outbreak of World War Three, the New Zealand government backed down.⁹³ In 1957 Britain proposed using Raoul Island, north of New Zealand, as a test site. Because of public concern about radioactive fallout from the test, the New Zealand Prime Minister felt he could not agree to the tests, which raised the ire of Britain. Eventually the tests were held in Christmas and Malden Islands, with reluctant agreement from New Zealand. New Zealand was not the only nation protesting the British and United States tests. Tahitian nationalist Pouvanaa a Oopa collected signatures for the Stockholm Peace Appeal and in 1956 Samoa asked the UN to halt the British and United States tests and the Cook Islands

⁹⁰ Bengt Danielssen, “Under a Cloud of Secrecy: The French Nuclear Tests in the Southeastern Pacific”, from *French Polynesia, a book of selected readings*, Nancy J. Pollock and Ron Crocombe, Institute of Pacific Studies, University of the South Pacific, 1988

⁹¹ Interview with Michel Legras, *French Ambassador to New Zealand*

⁹² Malcolm Templeton, *Standing Upright Here, New Zealand in the Nuclear Age 1945-1990*, Victoria University Press 2006

⁹³ Ibid

also expressed concern.⁹⁴ This illustrates that New Zealand's opposition to nuclear weapons testing is not new and certainly did not begin when the French started their tests in the 1960s, but rather a decade and a half earlier. Also, the perception that the Anglo-Saxon powers led the anti-nuclear sentiment against France downplays the significant role that the smaller Pacific island nations had in protesting against the French, British and United States tests.⁹⁵

In the last ten years, people who were affected by the nuclear testing by Britain, the United States and France have sought compensation. For example, Fijian military personnel who were exposed to radiation from the Christmas Island testing over forty years ago and Australian veterans who were exposed to atmospheric nuclear tests have campaigned for pensions from the Australian and British governments.⁹⁶

After souring Franco-New Zealand relations for several decades, the cessation of French nuclear testing in 1996 began a new and positive chapter in the relationship. During the tests, New Caledonia and French Polynesia were part of France, but French Polynesia was physically in an exposed position with the atolls of Mururoa and Fangataufa being part of the island group. Politically French Polynesia was obliged to support the nuclear testing but it was also at risk from nuclear fall out or accidents. New Caledonia was not as exposed as French Polynesia being 4,500 kilometres away from the test sites.⁹⁷ French Polynesia was financially compensated by the French government during the period of the tests from the early 1960s until 1996. The financial payments received by French Polynesia during these years gave the collectivity a significant economic boost.⁹⁸ Funding ceased with the cessation of nuclear testing in 1996. This has adversely affected the economic well-being of French Polynesia.

⁹⁴ Nic Maclellan, "The Nuclear Age in the Pacific Islands"

⁹⁵ Nic Maclellan, "The Nuclear Age in the Pacific Islands"

⁹⁶ Ibid

⁹⁷ F de Vathaire, B Le Vu, "Cancer Mortality in French Polynesia between 1984 and 1992", *British Journal of Cancer* (1996) 74, 1680-1681

⁹⁸ Gilles Blanchet, "A Survey of the Economy of French Polynesia, 1960 to 1990", *Islands/Australia Working Paper*, No. 91/4, National Centre for Development Studies, The Australian National University, 1991

6. The Significance of War on Franco-New Zealand Relations

New Zealand Ambassador to France from 1995 until 1999, Richard Woods, says that for decades New Zealand and France's different attitudes to war, and in particular the two World Wars, brought tensions to the relationship. As a young man, Woods worked in France in the early 1960s and says that France was still suffering the humiliation of the French Army's 1940 defeat on the mainland.⁹⁹ He said that, at this stage, France appeared unwilling to acknowledge New Zealand's contribution to both World Wars. However, in 1994, New Zealand Prime Minister Jim Bolger was invited to visit Paris to commemorate the 50th Anniversary of D-Day. This was a turning point and marked the start of French acknowledgement of the contribution and sacrifice New Zealanders had made. As an example, Woods points to a story about a New Zealand pilot flying a bomber over France who evacuated all his crew when his plane was shot, but stayed at the controls himself and was killed when the plane crashed. The French believe he did not abandon his plane to ensure the plane did not crash into a village and view him as a hero. New Zealand forces liberated the French town of Le Quesnoy in 1918 and it now has a sister-city relationship with Cambridge in the Waikato region of New Zealand.¹⁰⁰

Head of International Defence Relations at the New Zealand Ministry of Defence Paul Sinclair says that the legacy of the two World Wars and the fact that New Zealand and French troops fought alongside each other is of paramount importance as background to the relationship. However, like Richard Woods, he says each side's contribution has only been recognised in the past two decades.¹⁰¹ Around 18,000 New Zealand soldiers were stationed in New Caledonia during World War II and 256 New Zealand soldiers are buried in New Caledonia's Bourail Cemetery. Sinclair and Simon Draper say it is an extremely emotional experience to visit this cemetery and one wonders how many New Zealanders are aware that New Zealand had troops in New Caledonia, let alone that some of those soldiers' remains are interred there.¹⁰²

⁹⁹ Interview with Richard Woods, *New Zealand Ambassador to France 1995 - 1999*

¹⁰⁰ Ibid

¹⁰¹ Interview with Paul Sinclair, *Head of International Defence Relations at the New Zealand Ministry of Defence*, 5 December 2010

¹⁰² Adrian Muckle, "'Neo' lands in Oceania: New Caledonia and New Zealand"

Nevertheless ANZAC Day and other ceremonies relating to the wars are held in New Caledonia where, according to Draper, New Zealand dignitaries, veterans and their families are always given the red carpet treatment. Dozens of veterans have made the trip to New Caledonia over the years to commemorate this period of shared history.¹⁰³

For the past twenty years there has been an arrangement between New Caledonia and New Zealand whereby the defence forces of each country pay for children of defence personnel to visit the other's homes where they are billeted during the school holidays. It provides an opportunity for New Caledonians and New Zealanders to learn another language and another culture.¹⁰⁴ This is the only country with which New Zealand has such an arrangement. This is significant for the growing relationship between the two countries as the differing cultures remain a barrier, in spite of the warming of relations between mainland France and New Zealand. If young New Zealanders and New Caledonians can take advantage of the opportunity to learn their closest neighbour's culture and language, it will go a long way toward future generations forging stronger ties. The same thing can be said regarding the understanding of the Pacific's role in the two World Wars and the large part New Caledonia played in hosting New Zealanders during World War II. Should a greater understanding of the respective roles of the Pacific neighbours during the two World Wars be achieved, development of relations on a political and trade level can also be expected.

¹⁰³ Interview with Paul Sinclair, *Head of International Defence Relations at the New Zealand Ministry of Defence*

¹⁰⁴ Ibid

7. South Pacific Treaties and Agreements and their impact on France, New Zealand and New Caledonia

Up until the Matignon Accords of 1988, France did not encourage New Caledonia to be involved in any Pacific fora but rather addressed regional trade, aid and military issues itself.¹⁰⁵ This was in contrast to the other major former colonial powers Great Britain and the United States, and indirectly New Zealand and Australia, who had ten to thirty years earlier decolonised their territories, with only a couple of exceptions such as Britain's Pitcairn Island.¹⁰⁶ These former Pacific colonies were represented in a number of regional organisations and were able to make decisions regarding trade and other relations independently. Thus, New Zealand and Australia, among others, did not look favourably on France's Pacific colonial policy and to that end, lobbied for New Caledonia to appear on the UN's' decolonisation list in 1986.¹⁰⁷

Following the signing of the Nouméa Accord 1998, however, New Caledonia began to have much more of a presence politically in the Pacific region and in 2006 became an associate member of the Pacific Islands Forum. With the Accord giving the New Caledonian government jurisdiction over foreign national work permits, customs, trade, fishing, mining, primary education and the exploitation of EEZ resources, its associate membership of the Pacific Forum is now relevant. Up until the Matignon and Nouméa Accords, membership associate or otherwise in the Pacific Forum would not have been useful as New Caledonia did not have any regional decision making powers. At the 2006 France-Oceania Summit in Paris, former French President Jacques Chirac spoke of the importance of strengthening French-Pacific relations and regional cooperation.¹⁰⁸ Members of the Pacific Forum including New Zealand and Australia, as well as the French Pacific collectivities and the Commissioner of the European Union for Development and Humanitarian Aid, attended the Summit. It was agreed that security, economic prosperity, human rights and good governance should be of paramount importance to the region.

¹⁰⁵ Stephen Hoadley, *New Zealand and France, Politics, Diplomacy and Dispute Management*

¹⁰⁶ Michel Pérez, "From Franconesia to Euronesia: What future for France, and the European Union, in the South Pacific?" *The Journal of Pacific Studies*, Vol. 27, No. 1, 2004, 95 - 108

¹⁰⁷ Ibid

¹⁰⁸ "A Deeper Look at France's Role in the Pacific", *Pacific Islands Report*, March 30, 2007

Attendees established to work together to support the objectives of the Pacific Plan adopted by the members of the Pacific Islands Forum at Port Moresby in October 2005.¹⁰⁹

Since the Nouméa Accord, New Caledonia has also increased its direct presence on the European stage. It has a seat on the executive committee of the Overseas Countries and Territories Association within the EU in Brussels.¹¹⁰ New Caledonia has led several working parties with the European Commission on regional integration and was instrumental in developing the EU strategy for cooperation in the Pacific adopted in May 2006. This strategy acknowledged France's continued role in the Pacific but also the direct role the French collectivities are playing in their regional integration.¹¹¹

The Pacific Islands Forum was founded in 1971 with the aim of getting the independent nations of the South Pacific to cooperate more closely. There are currently 16 members. The Forum's focus is inter-governmental cooperation from economic and cultural perspectives. The two large member nations are New Zealand and Australia. Fiji is currently suspended from the Forum after a military coup at the end of 2006 resulted in the removal of the democratically elected president and the commencement of military rule. The Pacific Plan aims to share resources and expand regional policies with the goal of promoting better economic growth in the region, sustainable development, good governance and security.¹¹²

The New Caledonian government is only an associate member of the Pacific Islands Forum, but New Caledonia's pro-independence Kanak group FLNKS is a full member of the Melanesian Spearhead Group (MSG). The MSG is an inter-governmental organisation founded in 1983 which has a Group Trade Agreement to foster economic development within its membership. FLNKS is a member along with Fiji, Papua New Guinea, Vanuatu and the Solomon Islands. The Melanesian Spearhead Group is recognised by the World Trade Organisation (WTO). At a UN decolonisation meeting in New York in 2010, then

¹⁰⁹ "A Deeper Look at France's Role in the Pacific"

¹¹⁰ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

¹¹¹ Ibid

¹¹² Biman Chand Prasad, "Institutions, Good Governance and Economic Growth in Pacific Island Countries", *The University of the South Pacific, Suva, Fiji Islands International Journal of Social Economics*, Vol. 35, No. 12, 2008, pp 904-918

New Caledonian President Philippe Gomès said the New Caledonian government was engaged not only in trying to get its status from an associate member of the Pacific Forum upgraded to a full member but also to gain entrance to the Melanesian Spearhead Group alongside FLNKS.¹¹³

FLNKS has for several years been represented at UN meetings for decolonisation; however, in spite of New Caledonia being on the UN decolonisation list since 1986, it was not until 2010 that the New Caledonian government sent a delegation.¹¹⁴ At that meeting, Gomès said that New Caledonia needed to make its own voice heard in the region, not just the voice of France. Gomès also said that within the auspices of the Nouméa Accord, New Caledonia would be setting up its own diplomatic posts in Pacific countries. As mentioned, Dr Yves Lafoy will be New Caledonia's first delegate for New Caledonia in New Zealand. As part of the 1998 Nouméa Accord, it was stated that New Caledonia has permission to open offices in the Pacific region expressly for the purpose of representation.¹¹⁵ This means there will be a full-time focus from an exclusive New Caledonian representative who will be expected to develop trade and diplomatic ties. Having Dr Lafoy as a permanent representative from New Caledonia in New Zealand will be an immediate way for the two governments to strengthen and broaden these ties. The appointment of Dr Lafoy is a significant development in the relationship and a reflection on the growth of New Caledonia's independent presence in the region. As has been noted, however, Dr Lafoy's appointment has not been finalised due to the political instability in New Caledonia following the dissolution of its government in February 2011. The New Caledonia government as at May 2011 is only transitional.¹¹⁶

The Cotonou Agreement is a treaty between the European Union and the African, Caribbean and Pacific Group of States (ACP countries). It was signed in 2000 but did not take effect until 2003. It replaces the Lomé Convention, which had been in place since 1975. It includes the Pacific, but is mainly focused on the African and Caribbean nations. Like the Pacific Plan, it has economic and trade aspects, but its main focus is culture,

¹¹³ "UN Decolonisation Committee to hold regional seminar in New Caledonia", www.samoanewsonline.com, February 26, 2011

¹¹⁴ Ibid

¹¹⁵ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

¹¹⁶ Information obtained from the French Embassy in New Zealand, May 2011

developing mutual respect and human rights and fighting poverty. Various cooperation agreements have been formed via the larger umbrella of the Cotonou Agreement including in the mid 1990s when France lobbied and won the agreement of its European Union partners to allow freer access for Pacific exports and to increase their aid contribution to the Pacific. By the end of last century, France was donating tens of millions of dollars annually to the non-French Pacific islands.¹¹⁷

In 2007 the Economic Partnership Agreement (EPA) was signed between the European Union and the ACP countries, which opened up free entry to the EU for Pacific islands' exports. New Zealand and Australia have consistently lobbied to receive the same access to New Caledonia and to the EU under the EPA.¹¹⁸ Simon Draper sees access to the EU through New Caledonia as a missed opportunity for New Zealand businesses.¹¹⁹ However, with tariff barriers still relatively high in New Caledonia, the opportunity would have to be through a New Zealand company setting up and operating on New Caledonian soil. This opportunity will be discussed in more detail in Chapter 11. Apart from exports to New Caledonia and French Polynesia, exports to the South Pacific from Europe are small and getting smaller.¹²⁰ Nevertheless, members of the EU are considered to be more supportive than other large industrialised nations in accepting exports from Pacific countries that don't compete directly with its own.¹²¹

The European Consensus on Development 2005 outlines key aspects of the relations between Europe and the Pacific with regard to aid, development and the protection of human rights.¹²² Its goals are to reduce poverty, and to develop democratic values and respect for human rights. It aims to use the UN as a conduit and also to give more and better EU aid. The EU wants not only to increase its aid to the Pacific, but also to make the aid more effective through better coordination and through the use of International

¹¹⁷ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

¹¹⁸ Ibid

¹¹⁹ Interview with Simon Draper

¹²⁰ "Beyond Fish and Coconuts: Trade Agreements in the Pacific Islands", *Pacific Institute of Public Policy*, August 2008

¹²¹ Michel Pérez, "From Franconesia to Euronesia: What future for France, and the European Union, in the South Pacific?"

¹²² Stefano Manservigi, "The Pacific Matters to Europe, Development Policy in the South Pacific", *New Zealand International Review*, Vol. 31, Issue 4, July-August 2006

Organisations and Non-Governmental Organisations.¹²³ New Zealand and the European Union work together in the South Pacific to coordinate their aid efforts, particularly in the Solomon Islands, which receives substantial assistance from New Zealand and the EU.¹²⁴ In 1995, then New Zealand Prime Minister Helen Clark said that it was a goal to work more closely with the EU. She believed that it was a reciprocal goal and that the EU was keen to pool resources and cooperate more in terms of aid to the South Pacific.¹²⁵ John Allen, who has been heading MFAT for around 18 months at the time of writing, has a goal for all agencies in New Zealand including MFAT, NZTE and NZAid to work in a much more coordinated way both in New Zealand and abroad.¹²⁶

The Pacific Island Countries Trade Agreement (PICTA) was signed in 2003. There are currently 11 member countries. French Polynesia, Wallis and Futuna, New Caledonia, New Zealand and Australia are not members. The goal of PICTA is to slowly remove any tariffs or barriers to trade between its members, with zero tariffs reached by 2021 on products with a minimum 40 per cent local content.¹²⁷ This zero tariff goal is expected to be extended to services as well as products. However, intra-regional trade is very low because of political and geographical gaps in the region and the fact that the islands tend to look towards their metropolitan country connection for their main source of trade.¹²⁸

In 2005, New Caledonia hosted a sub-committee of PICTA officials to consider becoming a member of PICTA. It was concluded that in spite of the obstacles of moving towards a freer market economy, it would be advantageous for New Caledonia to further consider and potentially join PICTA.¹²⁹ Fiscal reforms would be needed to cushion the effects of tariff reductions and the private sector would have to be educated on how to be internationally competitive.¹³⁰ In addition, it was acknowledged that following the Nouméa Accord and New Caledonia's ability to sign regional agreements, it could join PICTA in its own capacity without France's approval, particularly as joining PICTA would be in harmony with the

¹²³ Stefano Manservigi, "The Pacific Matters to Europe, Development Policy in the South Pacific", *New Zealand International Review*, Vol. 31, Issue 4, July-August 2006

¹²⁴ Ibid

¹²⁵ Ibid

¹²⁶ Interview with John Allen, *Head of Ministry of Foreign Affairs and Trade (MFAT)*, 16 December, 2010

¹²⁷ "Beyond Fish and Coconuts: Trade Agreements in the Pacific Islands"

¹²⁸ Ibid

¹²⁹ "Report of the Forum Trade Officials Sub-Committee Mission to New Caledonia", PICTA, August 2005

¹³⁰ Ibid

Cotonou Agreement.¹³¹ New Caledonia expressed a desire to become more regionally integrated, which would in turn ease the transition to global integration. To this end, New Caledonia expressed its interest in forging closer ties with New Zealand and Australia by joining the Pacific Agreement on Closer Economic Relations (PACER), but not until after becoming a member of PICTA. Because of its history of protection and subsidisation, it was recognised that the transition to PICTA would not be an easy one for New Caledonia and that a move to a value-added tax to counter the detrimental financial effects of liberalisation should be considered.¹³² In 2011, New Caledonia has still not joined PICTA and although it was suggested in the sub-committee report being referenced that a value-added tax would be in place by 2007, it was not put in place until years later. A form of VAT known as the “Taxe générale sur les activités” or “General Tax on Activities” was adopted by the Congress of New Caledonia in January 2012.¹³³

The problem for New Caledonia joining PICTA is that although it is moving towards emancipation from France, it has not started its potential three self-determination referenda as part of the Nouméa Accord and is still dependent on French financial assistance. Joining PICTA would require New Caledonia to start to remove its trade barriers. The risk is that many of its businesses are not internationally competitive and would struggle to survive in an open market. There has been criticism that metropolitan countries like New Zealand have put pressure on smaller Pacific nations to remove protective tariffs to attract overseas investment at any cost.¹³⁴ This is in contrast to focussing on social stability and good governance. However, New Caledonia is a sophisticated economy and has already expressed interest in becoming a more open market through its 2005 analysis of joining PICTA referenced above. Another problem is that the economy currently relies on import duties. Under PICTA these would have to be reduced and ultimately removed, which would drastically reduce the standard of living. This is one of the reasons a value-added tax has only recently been introduced.

¹³¹ “Report of the Forum Trade Officials Sub-Committee Mission to New Caledonia”, PICTA, August 2005

¹³² Ibid

¹³³ Interview with Cameron Diver

¹³⁴ Gerard A. Finin and Terence A. Wesley-Smith, “Coups, Conflicts, and Crises: The New Pacific Way?” *East West Center Working Papers*, Pacific Islands Development Series, No. 13, June 2000

New Caledonia is economically stuck between a desire for self-determination by some of the population and a desire to maintain its standard of living, again by some of the population. It is worth noting that the Caldoches and Metros are more likely to be interested in maintaining their standard of living and the Kanaks more interested in self-determination. Before the New Caledonian government can consider joining PICTA and then ultimately PACER, it will need to develop its industry to become internationally competitive. This means that businesses other than nickel miners will need to start moving towards exporting in a more open way without relying on tariffs. This will force them to become more efficient. Nickel exports are the exception in this instance as they are established and highly sought after by a number of countries, primarily in Asia. It is worth noting that in 2006 nickel made up around 96 per cent of New Caledonia's exports, but only 18 per cent of New Caledonia's GDP.¹³⁵ The heavy reliance on nickel as its almost exclusive export, while a boon for the economy, puts New Caledonia at the mercy of fluctuating commodity prices. Therefore it needs to explore other areas of potential business, including manufacturing, agriculture and tourism.

The argument for trade liberalisation in the South Pacific is that currently the Pacific is behind the rest of the developed world and is uncompetitive. Pacific island nations need to examine the financial structure of their island economies and also their production regimes, so that they can become more internationally competitive. Seven Pacific island nations have introduced a value-added tax similar to New Zealand's Goods and Services Tax (GST) including New Caledonia. This tax can be used to offset tariff revenue losses and there is also discussion in the region centred around the introduction of excise tax on luxury goods such as tobacco and alcohol.¹³⁶ Michael Christie says that New Caledonia will have to consider waiving import duties now value-added tax has been introduced. Import taxes in New Caledonia can be up to 57 per cent.¹³⁷

¹³⁵ Information obtained from the French Embassy in New Zealand, May 2011

¹³⁶ Uwe Kaufmann, "Pacific Trade Liberalisation and Tariff Revenues", *Pacific Economic Bulletin*, Vol. 24, No. 3, October 2009

¹³⁷ Interview with Michael Christie, *Mining and Construction Marketing Manager, Komatsu Australia*, 21 January 2011

There is more public awareness in New Caledonia of the global trend towards multilateral trade and of the importance of attracting foreign investment.¹³⁸ The government of New Caledonia has encouraged multi-level discussions regarding joining PICTA, including not only representatives from government but also representatives from the business community, the industrial sector and consumers.¹³⁹ Because of the sensitivity of the issue of free trade, the government wanted to make the evaluation process as transparent as it possibly could. Although there has been general support to at least consider a move towards freer trade, opposition from private business owners means that talks have not progressed as fast as had been hoped following the 2005 steering committee on PICTA referenced above in this chapter.¹⁴⁰ There is a need to educate the public and businesses in New Caledonia about the benefits of moving towards regional free trade and to make New Caledonians aware that the high degree of market protection afforded the collectivity cannot be sustained.¹⁴¹

PACER is possibly the most controversial trade agreement in the South Pacific because of its requirement that Pacific nations remove all tariff barriers and open up to New Zealand and Australia. The concern is that it could potentially lead to significant revenue losses for those smaller Pacific nations.¹⁴² PACER Plus, which is still in negotiation, is the proposed free trade agreement between the Pacific islands and New Zealand and Australia. The issue being debated politically and academically is whether liberalising the region will in fact have a harmful effect on the smaller island nations, which are currently protected and therefore not necessarily industrially competitive. As of May 2011, New Caledonia, Wallis and Futuna and French Polynesia are not members of PICTA or PACER.

The loss of tariff revenue and the non-competitiveness of many Pacific island industries are often cited as reasons the Pacific should not be liberalising. Also many Pacific islands have few industries. Non-state actors such as Non-Government Organisations and church

¹³⁸ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

¹³⁹ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

¹⁴⁰ Ibid

¹⁴¹ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

¹⁴² Interview with Cameron Diver

groups see these free trade agreements as being detrimental to the island economies.¹⁴³ Many of the industrialists interviewed in New Caledonia for this thesis fear that business there, while competitive on a local basis, would not have the capacity or set up to compete on a global scale.¹⁴⁴

The maritime surveillance and humanitarian France-Australia-New Zealand (FRANZ) agreement was signed on 22 December 1992 and was established as a means to assist in disaster relief. It is widely considered a success and has facilitated the response to many natural disasters, including the Samoan Tsunami of 2009 and the Papua New Guinea floods of 2007. New Zealand Minister of Foreign Affairs and Trade, Murray McCully, says that FRANZ is the dominant feature of the relationship in the region between New Zealand and France, but he says that enhancing New Zealand's role in the Pacific in aspects other than FRANZ hopefully will broaden the overall relationship.¹⁴⁵ FRANZ actively contributes to maritime surveillance and disaster relief and supports regional defence and police forces in the South Pacific.¹⁴⁶ Anita Butler, Australian Consul-General to New Caledonia, Wallis and Futuna and French Polynesia, believes that the FRANZ agreement is of particular importance to France as it is a means to show the rest of the region that it is pulling its weight.¹⁴⁷ The Head of International Defence Relations at the New Zealand Ministry of Defence, Paul Sinclair, says that FRANZ is one of the most pragmatic reasons for the warm relationship between France and New Zealand today.¹⁴⁸ At nearly 20 years old, FRANZ has consistently provided a robust framework for response in the region. At the second 2006 France-Oceania Summit in Paris, the FRANZ agreement was heralded as a vital fishing surveillance as well as a humanitarian response tool. From a maritime surveillance perspective, it is seen as a tool to manage the fish stocks of the vast Pacific Ocean, to ensure sustainability for the benefit of the region.¹⁴⁹ However, it was mooted that improvements to its response time, planning and alerts for natural disasters need to be made. The pragmatic approach of France, New Zealand and Australia to disaster relief

¹⁴³ Uwe Kaufmann, "Pacific Trade Liberalisation and Tariff Revenues"

¹⁴⁴ Pierre Kolb, *Member of the New Caledonian Chamber of Commerce and Chief Executive Officer of A2EP Engineers*, Cameron Diver and Michael Christie cited the non-competitiveness of New Caledonian businesses internationally.

¹⁴⁵ Interview with Murray McCully, *New Zealand Minister of Foreign Affairs and Trade*

¹⁴⁶ Nic Maclellan, "The Australia-France Defence Co-operation Agreement. Implications for France in the South Pacific", *Austral Policy Forum 01-19A*, in partnership with RMIT University, 2 November 2009

¹⁴⁷ Interview with Anita Butler

¹⁴⁸ Interview with Paul Sinclair

¹⁴⁹ "A Deeper Look at France's Role in the Pacific"

and maritime surveillance and with it improved relations between the three nation signatories were flagged by former French President Jacques Chirac at the Summit as a reason for France's strengthened role and reputation in the Pacific.¹⁵⁰

The plethora of trade and other agreements in the South Pacific is an opportunity for New Caledonia but also to a large extent a wake up call that it will not be able to remain a protected collectivity forever. Its associate membership of the Pacific Islands Forum is an indication that it wishes to be more integrated into the region and to reduce its ties to France. If it is to join PICTA, it will need to reduce its trade barriers but as illustrated this will affect its citizens' standard of living. It is a process that will take time and careful planning and is likely to coincide with the three self-determination referenda of the Nouméa Accord. New Zealand will naturally welcome New Caledonia opening up to the market but it also must be acknowledged that such a move will be detrimental to New Caledonia's economy at least in the short term.

¹⁵⁰ "A Deeper Look at France's Role in the Pacific"

8. Changing Relations between New Zealand and France

The head of the New Zealand Ministry of Foreign Affairs and Trade, John Allen, describes the relationship between New Zealand and France as being “in good shape”, with major progress made over the past ten years. He says it is a relationship that has strengthened because of what has been achieved, particularly in the South Pacific, rather than because of the absence of contentious issues like nuclear testing and the Rainbow Warrior.¹⁵¹ Michael Christie thinks that the French have gone out of their way to improve New Zealand’s acceptance of its presence in the Pacific.¹⁵²

Part of the reason for the less developed relationship New Zealand has with New Caledonia is that New Caledonia does not share (at least to the same extent) the strategic interests that New Zealand, France, the rest of the EU, Australia and the United States do. New Caledonia has begun to participate more in the region, particularly regarding Pacific aid, however, it is still a relatively small player. Interests shared by the larger powers mentioned include security, development, climate change and the increased presence and influence of China. These nations recognise that regional security and stability are necessary not only for the Pacific nations themselves, but also for their own security and strength. In times of peace, the region can use tools such as aid, education, trade and immigration policies to foster cooperation, but in times of instability, such as in Papua New Guinea and the Solomon Islands, intervention has been necessary.¹⁵³

Some consideration has been given to New Zealand and France cooperating to a greater extent in the South Pacific in the wake of the increased presence in the region of China. Traditionally China and Taiwan have used diplomacy to promote their relative causes in the Pacific. China gives aid to the eight developing Pacific Islands Forum members that recognise it but do not recognise Taiwan as a separate country.¹⁵⁴ It is believed, however, that Taiwan and China have had some sort of truce in the South Pacific region over their

¹⁵¹ Interview with John Allen, *Head of Ministry of Foreign Affairs and Trade (MFAT)*

¹⁵² Interview with Michael Christie, *Mining and Construction Marketing Manager, Komatsu Australia*

¹⁵³ Stephen Hoadley, “Pacific Island Security Management by New Zealand and Australia: Towards a New Paradigm”, *Working Paper*, Centre for Strategic Studies, Victoria University of Wellington, 2005

¹⁵⁴ Fergus Hanson, “The Dragon in the Pacific: More Opportunity than Threat”, *Lowy Institute Policy Brief*, June 2008

long time rivalry.¹⁵⁵ This is expected to reduce each country's aid donations to the South Pacific, but at this stage their involvement in the region has not changed appreciably.¹⁵⁶ China's aid budget is significantly higher than New Zealand's is to the region but lower than Australia's. There is, however, concern about the way China's aid is administered in the South Pacific. China's aid to the Pacific appears to have encouraged more aid from the European Union and the United States.¹⁵⁷ China does not deliver its aid in a coordinated or open way and potentially its aid programmes could undermine the efforts of other donors such as New Zealand and France.¹⁵⁸ Michel Legras, former French Ambassador to New Zealand, believes that New Zealand, Australia and France are looking north to China, a huge and growing power, and questioning its interest in the South Pacific.¹⁵⁹ France feels that because of China's rising naval power it, France, should continue to have a role in the region.¹⁶⁰ It has also been suggested that the recognition of New Caledonia may be boosted by the increased presence of China, as it could be seen as a base for Europe in the Pacific.¹⁶¹ Anita Butler says that even though nuclear testing in the South Pacific has finished and is not expected to resume, some in the French bureaucracy believe France still needs to have a presence in French Polynesia and New Caledonia as a counter to balance the increasing Chinese presence.¹⁶² However, New Zealand's Ambassador to France, Rosemary Banks, says that while France is noting China's increasing presence in the South Pacific, she doesn't believe it is a driver of its own presence in the region, nor would it be an influence of how France conducts its relationships with New Zealand and other Pacific nations.¹⁶³

To put China's interest in the region in perspective, it is also important to look at the volume of trade it does with the Pacific compared to its other trading partners. From China's trade perspective the South Pacific is very small although when compared to New Zealand's trade with the South Pacific it seems substantial. A comparison with China's

¹⁵⁵ Fergus Hanson, "China: Stumbling Through the Pacific", *Lowy Institute Policy Brief*, July 2009

¹⁵⁶ Joel Atkinson, "China-Taiwan Diplomatic Competition and the Pacific Islands". *The Pacific Review*, Vol. 23, Iss. 4, September 2010, pp 407-427

¹⁵⁷ Ibid

¹⁵⁸ Jenny Hayward-Jones, "What have I changed my mind about this year? China in the Pacific", www.lowyinterpreter.com, 23 December 2010

¹⁵⁹ Interview with Michel Legras

¹⁶⁰ Nic Maclellan, "The Australia-France Defence Co-operation Agreement. Implications for France in the South Pacific"

¹⁶¹ Adrian Muckle, "'Neo' lands in Oceania: New Caledonia and New Zealand"

¹⁶² Interview with Anita Butler

¹⁶³ Interview with Rosemary Banks

trade with Africa will illustrate this point. China's annual trade with Africa is projected to be around \$US100 billion by 2010. China's trade with the Pacific is growing exponentially but is still a fraction of its trade with Africa. In 2006 it was around \$US750 million¹⁶⁴ in 2007, it had grown to \$US2 billion and was projected to be as high as \$US3 billion in 2010.¹⁶⁵ In 2006, total Pacific worldwide trade was around \$US13 billion.¹⁶⁶ This is just 13 per cent of China's trade with Africa in 2010. However, China's desire to show its global presence through its economic might could still conceivably conflict with the military interests of France, New Zealand, the United States and Australia in the Pacific.¹⁶⁷

Former New Zealand Ambassador to France, Richard Woods, was in Paris from 1995 until 1999. It was a turning point in the New Zealand-France relationship. He has a comprehensive understanding of the change in sentiments between the two countries and the reasons for this change. There were several incidents which altered the course of the relationship in very positive ways. In the 1980s and early 1990s, France believed that New Zealand did not consider that France had a place in the South Pacific, but by the late 1990s that perception was to change.¹⁶⁸

In 1991, six years after the Rainbow Warrior bombing, French Prime Minister Michel Rocard came to New Zealand on an official visit, the first and only time a French Prime Minister has made such a trip. He and then New Zealand Prime Minister Jim Bolger formed the New Zealand France Friendship Fund. Richard Woods says although France initially invested around NZ\$2 million and New Zealand only \$NZ100,000, it was not a guilt fund over the Rainbow Warrior as has been suggested, but rather a joint venture to promote friendly relations between New Zealand and France.¹⁶⁹ It is still active and currently finances projects to the tune of around 200,000 € per year. These projects include school exchanges and university study and recently the fund gave the Royal New Zealand Ballet NZ\$50,000 in support of a tour of France.

¹⁶⁴ Fergus Hanson, "The Dragon in the Pacific: More Opportunity than Threat"

¹⁶⁵ Capt. Sea Sovereign Thomas, "Engaging Oceania" *Naval War College Review*, Winter 2010, Vol. 63, No. 1

¹⁶⁶ Fergus Hanson, "The Dragon in the Pacific: More Opportunity than Threat"

¹⁶⁷ Jenny Hayward-Jones, "What have I changed my mind about this year? China in the Pacific"

¹⁶⁸ Interview with Richard Woods

¹⁶⁹ Ibid

Closer relations on a political level however, continued to be marred by France's nuclear weapons testing in the South Pacific. When Richard Woods arrived in France in 1995 he was given two instructions that on the surface appear contradictory. First, he was told to protest nuclear testing vigorously at the highest level and second, to pave the way for good relations once the testing ended. This he did, having regular meetings with key players. Woods recalls his meeting with French President Jacques Chirac, which he says encouraged him to think that the relationship would be repaired and would strengthen. At this meeting, Richard Woods and the French President were expressing their national points of view on nuclear testing. The discussion concluded with Jacques Chirac saying "Il n'y a qu'une chose que je reproche à la Nouvelle Zélande: les All Blacks", which means "there's only one thing for which I reproach New Zealand: the All Blacks".¹⁷⁰

Following the cessation of nuclear weapons testing in the South Pacific by France, relations between New Zealand and France began to improve. In 1997, the then New Zealand Minister of Foreign Affairs, Don McKinnon, visited Paris and he and his French counterpart hailed a new era in relations between the two countries. In October that year, Jim Bolger made the first official visit to Paris by a New Zealand Prime Minister.¹⁷¹ In 1999, Don McKinnon returned to Paris to inaugurate a very successful working holiday scheme between New Zealand and France.

In 1996, there was an outbreak of BSE ("mad cow disease") in the United Kingdom. Scrapie in sheep is related to mad cow disease and is an incurable degenerative disease that affects the nervous system. As a result, France banned the sale of all lambs' brains, including those from New Zealand, even though New Zealand sheep did not have scrapie. While New Zealanders do not eat a lot of lambs' brains, in France they are a delicacy and very popular. Richard Woods met a senior official in the French Ministry of Agriculture who said that if the New Zealand government veterinarians could convince the French government veterinarians that scrapie was not present in New Zealand, he would draw the appropriate conclusions. This was achieved and France resumed its import of New Zealand lambs' brains. Richard Woods said that dialogue and an outcome like this would

¹⁷⁰ Interview with Richard Woods

¹⁷¹ Ibid

have been unthinkable just a few years earlier.¹⁷² The French success however did not immediately extend to the European Union. While the export of lambs' brains to France resumed fairly quickly after the ban, the European Commission required the New Zealand Ministry of Agriculture to do more extensive testing before exports to the rest of Europe were able to start again.¹⁷³ This example illustrates the significant warming of the France-New Zealand relationship at this time.

A further example to illustrate the improving relations between New Zealand and France was former New Zealand Prime Minister Mike Moore's 1999 bid for the position of Director-General of the WTO.¹⁷⁴ Only a few years earlier, France would have vetoed Moore's application on agricultural grounds alone. In this instance however, with the agreement of the head of the French equivalent of Federated Farmers, whom Richard Woods arranged for Moore to meet, France supported Moore's candidacy. Mike Moore served as Director-General of the WTO from 1999 until 2002.

Although on diplomatic and political levels relations between New Zealand and France are the strongest they have been in nearly twenty years, resentment from New Zealand at the ordinary citizen level has remained to a certain extent as illustrated by the following two examples. First, during a tour to New Zealand in 2009, a French rugby player lied about a drunken incident in Wellington. Mathieu Bastareaud said he had been attacked by up to five people outside his hotel but after a formal apology was issued to France from the New Zealand Government, Bastareaud admitted he had lied and instead had fallen and hit his head on a table in his hotel room when he was drunk.¹⁷⁵ Michel Legras said before Bastareaud's admission, the French Embassy was inundated with hate mail about Bastareaud and about French people in general and he feels New Zealand media coverage was biased against France.¹⁷⁶ Second, when New Zealand Prime Minister John Key travelled to New York in 2009 and appeared on the David Letterman television talk show with a "Top Ten List" about why the United States and New Zealand were similar, it caused a furore in New Caledonia and France. The New Zealand Herald pre-empted Key's

¹⁷² Interview with Richard Woods

¹⁷³ "New Zealand bid to prove scrapie-free status." *Agra Europe*, 1738 (1997)

¹⁷⁴ Interview with Richard Woods

¹⁷⁵ "Mathieu Bastareaud admits he lied over New Zealand 'assault'", *The Telegraph Newspaper*, www.telegraph.co.uk, 25 June 2009

¹⁷⁶ Interview with Michel Legras

appearance with a list of its own top ten reasons for visiting New Zealand one of which was “we dislike the French too”.¹⁷⁷ It was meant as a joke but was picked up by the media in France and New Caledonia. At the taping of the show John Key used a more general comment, “Unlike most of World, we still like Americans”.¹⁷⁸

Head of the New Zealand Ministry of Foreign Affairs and Trade John Allen says that current close ties with France come from mutual respect and understanding in the South Pacific. He is of the view that New Zealanders have moved on from the Rainbow Warrior. As the Rainbow Warrior incident is forgotten, he says, the challenge is to maintain the momentum of the relationship. Allen says key focuses should be identifying common interests and creating opportunities and value in the region.¹⁷⁹ From the perspective of New Caledonia, the biggest financial opportunity as it moves towards self-determination is to increase its exports, and New Zealand is a major and close potential market.

New Zealand Ambassador to France, Rosemary Banks, is hoping to take advantage of the 2011 Rugby World Cup to change what she calls the superficial impression the French have of New Zealand. When asked about what they think of New Zealand, the French will typically discuss its unspoiled beauty and its rugby prowess. Banks is hoping to dispel some of this shallowness during the Rugby World Cup 2011 when around 10,000 French citizens are expected to travel to New Zealand. Although they will be in New Zealand for the rugby games, her office is focussed on educating visiting French business, scientific and cultural professionals about New Zealand’s viticulture, biotechnology and creative industries.¹⁸⁰

France continues to play a role in the South Pacific, over and above its obligations to New Caledonia, French Polynesia and Wallis and Futuna.¹⁸¹ On June 26, 2006 in Paris former French President Jacques Chirac chaired the second France-Oceania summit with most of the Pacific heads of government and regional organisations taking part. This summit was

¹⁷⁷ “John Key’s top 10 reasons for Americans to visit NZ”, New Zealand Herald, www.nzherald.co.nz, September 23, 2009

¹⁷⁸ “New Zealand Prime Minister John Key appears on the “David Letterman Show”” www.tvnz.co.nz, 25 September 2009

¹⁷⁹ Interview with John Allen

¹⁸⁰ Interview with Rosemary Banks

¹⁸¹ Interviews with Paul Sinclair and Rosemary Banks

regarded as a landmark in the thawing of previously tense relations between France, the Pacific islands and two of the South Pacific's largest countries, Australia and New Zealand.¹⁸² At the summit Jacques Chirac said, "France also has interests and concerns like global warming, fisheries, development and inter-regional trade. Hence the natural character of cooperation between France, Australia and New Zealand for all matters that regard this region." He added, "I can tell you that this cooperation has gradually grown and at present knows no problem and no limit".¹⁸³ A further example of strategic interest outside of French collectivity obligations is France's pleasure at Australia and New Zealand signing the Kyoto Protocol. This is a reflection of France's interest in environmental issues not just in Europe, but also around the world. Protecting the environment is an important part of the French people's way of life. France would like to commit more money to protecting the Coral Sea around New Caledonia but has not yet found the support of New Zealand and Australia to make similar commitments to the protection of the Pacific Ocean. At the second France-Oceania summit in 2006, then French President Jacques Chirac stressed the commitment of France to the Coral Reef Initiative for the South Pacific (CRISP) to protect and manage the region's reefs.¹⁸⁴

John Allen cites as areas of mutual collaboration, the exchanges of school children between New Zealand and France and cultural exchanges as reasons for the warming of French-New Zealand relations. He says that writing exchanges have been enduring and successful including the Katherine Mansfield scholarship where a New Zealand author spends a year in the South of France and the Randell Cottage writer's residency where a French writer spends six months living and writing in Wellington, New Zealand.¹⁸⁵ This cultural collaboration is an important part of the relationship and the France-New Zealand Friendship Association is actively involved in funding such exchanges. Simon Draper, New Zealand's Consul General for New Caledonia, French Polynesia and Wallis and Futuna, acknowledges mutual interest in the South Pacific but believes France has a more pragmatic approach to relations. To illustrate, Draper references a quote from former French President Charles de Gaulle, "No nation has friends, only interests".¹⁸⁶

¹⁸² "A Deeper Look at France's Role in the Pacific"

¹⁸³ Ibid

¹⁸⁴ Ibid

¹⁸⁵ Interview with John Allen

¹⁸⁶ Interview with Simon Draper

9. The New Zealand-New Caledonia Political Relationship

The head of the MFAT, John Allen, says New Zealand is currently focussed on New Caledonia because of its prosperity and the opportunities for trade that have come out of its increased presence in the Pacific Islands Forum. He says that the relationship with New Caledonia is also important because of the wider relationship New Zealand has with France.¹⁸⁷ The New Zealand Minister of Foreign Affairs and Trade, Murray McCully, says France is encouraging a much stronger role for New Zealand in New Caledonia and a much greater involvement for New Caledonia in the region. He says that New Zealand is poised to respond.¹⁸⁸ Although New Zealand exports a significant amount to New Caledonia already, the potential for greater trade is enormous as New Caledonia is wealthy as a result of mineral deposits and French economic support. In 2007, New Caledonia's per capita GDP was 26,500 €. It has around 25 per cent of the world's nickel reserves. Nickel exports account for 96 per cent of its total exports but only 18 per cent of its GDP.¹⁸⁹ Therefore as New Caledonia moves towards greater independence, it will also be looking to New Zealand as a potential export market for its goods and services. This trade relationship, which is currently very much in New Zealand's favour is the crux of a stronger overall relationship and will be discussed in detail in Chapter 11. However, while McCully acknowledges that the opportunity for trade is substantial, there is also, he says, the opportunity for a much deeper political relationship.¹⁹⁰

The challenges that faced New Zealand and France in the 1980s and 1990s - differences in opinion about nuclear testing, the bombing of the Rainbow Warrior and France's continued sovereign presence in the Pacific - have been overcome at least on a political level and New Zealand's relationship with France is warm and developing. Yet, in spite of New Zealand and New Caledonia's geographical proximity and New Caledonia in effect being a part of France, relations are not on the same level. Why is there this dichotomy? Part of the reason lies in New Zealand and New Caledonia's respective colonisers, Britain and France, and thus their respective allegiances.

¹⁸⁷ Interview with Simon Draper

¹⁸⁸ Interview with Murray McCully

¹⁸⁹ Information obtained from the French Embassy in New Zealand, May 2011

¹⁹⁰ Interview with Murray McCully

Political, economic and linguistic barriers between New Caledonia and New Zealand were established as a result of their colonial history. Had they been colonised by the same power, some of these barriers would not be in place.¹⁹¹ In spite of their physical proximity, there is no natural tendency for New Zealand and New Caledonia to look to each other for political guidance. Instead, New Zealand looks to the United Kingdom and New Caledonia looks to France.¹⁹² New Zealand is now emancipated from Britain, but historic allegiances remain. It was not just allegiances to their respective homeland there was also a level of mistrust because of the competitiveness between Britain and France to colonise.¹⁹³ Indeed, French Polynesia was colonised by France only two years after the Treaty of Waitangi was signed. New Caledonia came later in 1853. This is, of course, a historical perspective, but because New Caledonia has only recently begun its process of self-determination, its relationship with New Zealand is not as developed as New Zealand's relationship is with France.

In spite of its move towards more independence, New Caledonia still remains on the periphery or is completely absent from debates about the Pacific islands by New Zealand and Australia.¹⁹⁴ In political analyses of the region, New Caledonia is often marginalised on the basis that it is still a French collectivity. A recent New Zealand FADTC report completely ignores New Caledonia and the other French Pacific collectivities, in spite of New Caledonia being New Zealand's second largest Pacific export market.¹⁹⁵ This report will be discussed in detail shortly. This marginalisation of New Caledonia is described as paradoxical because it is happening at the same time as it is seeking to become more integrated into the region.¹⁹⁶

The history of New Caledonia and New Zealand as colonies also suggests that the indigenous Kanaks and the New Zealand Māori have similar grievances, which should point to a closer cultural relationship between them. Following the Nouméa Accord, the Kanaks are undergoing a period of reconciliation for past colonial injustices similar to that

¹⁹¹ Adrian Muckle, "'Neo' lands in Oceania: New Caledonia and New Zealand"

¹⁹² Stephen Levine, "The New Zealand-New Caledonia Relationship: A Political Perspective", from *New Zealand-New Caledonia Neighbours, Friends, Partners*, edited by Frédéric Angleviel and Stephen Levine, Victoria University Press, 2008

¹⁹³ Stephen Levine, "The New Zealand-New Caledonia Relationship: A Political Perspective"

¹⁹⁴ Adrian Muckle, "'Neo' lands in Oceania: New Caledonia and New Zealand"

¹⁹⁵ Interview with Simon Draper

¹⁹⁶ Adrian Muckle, "'Neo' lands in Oceania: New Caledonia and New Zealand"

which New Zealand Māori have been experiencing through the Waitangi Tribunal.¹⁹⁷ Certainly when New Caledonia and New Zealand were first colonised, the Māori and the Kanaks were both denied any say in public affairs.¹⁹⁸ It has been observed that Māori and Kanaks have similar political organisational tendencies in spite of one being Polynesian and one Melanesian. This style of organisation is described as open and respectful of consultation and consensus.¹⁹⁹ Nevertheless there is, however, limited discourse between New Zealand Māori and New Caledonian Kanaks. This could be because New Caledonia has a European (French) and Melanesian language and culture (among others), whereas New Zealand is European (English) and Polynesian (among others)²⁰⁰. Conversely, New Zealand Māori and native French Polynesians understand each other's language and customs, as mentioned earlier in this thesis. Over a hundred and fifty years after colonization, Māori and Kanaks are minorities and because the settler populations are the majority and dominant economically and politically, the entire population is bound by the democratic principles and type of government preferred by them.²⁰¹

In the Pacific, New Caledonia turns to Australia more than it does to New Zealand. This can be traced back partly to both countries' history as penal colonies.²⁰² Whether in terms of trade, cultural ties, medical evacuation or tourism, Australia is much more favourably regarded than New Zealand.²⁰³ The Gold Coast of Australia is the most popular tourist destination for New Caledonians and talks between the New Caledonian government and the Australian trade and agriculture sectors have suggested that New Caledonia and Australia are natural partners, particularly New Caledonia and Queensland.²⁰⁴ A

¹⁹⁷ Michel Pérez, "From Franconesia to Euronesia: What future for France, and the European Union, in the South Pacific?"

¹⁹⁸ Michel Pérez, "New Caledonia and New Zealand: Similar Histories, Parallel Destinies, Converging Diplomacies", from *New Zealand-New Caledonia Neighbours, Friends, Partners*, edited by Frédéric Angleviel and Stephen Levine, Victoria University Press, 2008

¹⁹⁹ Adrian Muckle, "'Neo' lands in Oceania: New Caledonia and New Zealand"

²⁰⁰ Michel Legras, "Foreword", from *New Zealand-New Caledonia Neighbours, Friends, Partners*, edited by Frédéric Angleviel and Stephen Levine, Victoria University Press, 2008

²⁰¹ Gerard A. Finin and Terence A. Wesley-Smith, "Coups, Conflicts, and Crises: The New Pacific Way?" *East West Center Working Papers*, Pacific Islands Development Series, No. 13, June 2000

²⁰² Michel Pérez, "New Caledonia and New Zealand: Similar Histories, Parallel Destinies, Converging Diplomacies"

²⁰³ Ibid

²⁰⁴ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

memorandum of understanding has been concluded on the basis that economic ties should be developed.²⁰⁵

New Zealand and New Caledonia have less developed relations in spite of their geographical proximity and common interests. The opportunity for closer relations was recognised on a government level but also on a public level and culminated in the 2007 “New Caledonia Cultural Season”. It was organised not only by government representatives but also by sporting bodies, indigenous cultural centres and artists.²⁰⁶ Ultimately the Season was a series of cultural concerts, trade and diplomatic events, and an installation about New Zealand troops being stationed in New Caledonia during World War II called ‘War in Paradise’ was held at New Zealand’s Museum of City and Sea in August 2007.²⁰⁷ As mentioned in the abstract of this thesis, a series of scholarly essays was published in a book called “New Zealand-New Caledonia, Neighbours, Friends, Partners”.²⁰⁸ It was expected that the Season would create the momentum for further cultural exchanges and business initiatives; however, four years later, the relationship has not developed to the extent it was hoped for.

Simon Draper says that as France and New Caledonia push for more regional integration, New Zealand’s own diplomatic preoccupations remain with its traditional partners including Fiji and the realm relationships.²⁰⁹ Draper notes that while France would appreciate New Zealand’s support in helping New Caledonia integrate into the Pacific, France has tended to be the one courting this assistance given New Zealand’s already extremely busy Pacific agenda.²¹⁰

A recent report from the Foreign Affairs, Defence and Trade Committee (FADTC) on the South Pacific is a case in point. It demonstrates the lack of attention paid by New Zealand to the French collectivities. The report did not include any reference to New Caledonia, French Polynesia or Wallis and Futuna. The report issued in December 2010 was four

²⁰⁵ Cameron Diver, “Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia”

²⁰⁶ Ibid

²⁰⁷ Adrian Muckle, ““Neo” lands in Oceania: New Caledonia and New Zealand”

²⁰⁸ Frédéric Angleviel and Stephen Levine (editors), *New Zealand - New Caledonia, Neighbours, Friends, Partners*, Victoria University Press 2008

²⁰⁹ Interview with Simon Draper

²¹⁰ Ibid

years in the making, was tabled in Parliament, and contained more than 40 recommendations for the New Zealand government to consider.²¹¹ There was no mention of any recommendations regarding the French Collectivities despite the fact that New Caledonia and French Polynesia are New Zealand's second and third biggest Pacific trading partners, and military exercises and maritime surveillance are conducted extensively with New Caledonia. The FADTC report notes, "the Pacific island countries discussed in this report extend from the Cook Islands to Kiribati and Papua New Guinea – French and American Territories have been excluded".²¹² An explanation for this exclusion is not given; however, it is also noted in the report that it has been 20 years since an examination of a similar size and scale of the Pacific region has been undertaken. The exclusion of the French territories is a matter of concern on a number of levels. Although France is still its sovereign, New Caledonia is on a path to emancipation or at least to a more independent existence via the Nouméa Accord. The FADTC report mentions that all Pacific Island Forum nations are examined excluding Australia. New Caledonia and French Polynesia are associate members of the Forum so it would have made sense to at least give a cursory look at their presence in the region. Concern that the relationship between New Caledonia and New Zealand is only one way, from New Caledonia's perspective, will be exacerbated by New Caledonia's exclusion from the report. It is difficult to understand how this report can be taken seriously when two of the main regional players are excluded from it.

Simon Draper says that France has not forgotten that New Zealand and Australia requested that New Caledonia be put onto the UN's decolonisation list in the 1980s. However, he says that in the last decade New Zealand and New Caledonia's interests have started to align and that this is a special moment in the relationship, as a stable and democratic New Caledonia is what the region needs.²¹³ Draper says that a crucial part of strengthening New Caledonia-New Zealand relations is the drive from the Minister of Foreign Affairs and Trade, Murray McCully, who has not only shown specific interest in bi-lateral trade with the region, but has also conducted a successful ministerial visit to New Caledonia (in August 2010).²¹⁴ McCully says the view that is expressed to him by his international

²¹¹ "NZ Aid to Pacific needs more focus report", *PAC - Pacific Islands Broadcasting Association*, 14 December 2010

²¹² "Inquiry into New Zealand's relationships with South Pacific countries", *Report of the Foreign Affairs, Defence and Trade Committee (FADTC)*, December 2010

²¹³ Interview with Simon Draper

²¹⁴ Interview with Simon Draper

counterparts is that France has no strategic interests in the Pacific, but has historical responsibilities. Simon Draper agrees, saying, in his own view, France would leave the Pacific tomorrow if it could. France remains out of a sense of obligation, not opportunity.²¹⁵ McCully says there is no doubt in his mind that France sees New Zealand as a positive influence in the region and wants to encourage a closer relationship between New Zealand and New Caledonia.²¹⁶ There is an opportunity for New Zealand and New Caledonia to develop a political relationship independent of France.

As mentioned earlier in this thesis, Simon Draper believes France has a more involved approach to decolonisation than New Zealand and Britain. He says that the three planned referenda on emancipation could take up to 20 years from the signing of the Nouméa Accord to begin and hence France will continue to have a presence in the region. Anita Butler, Australian Consul-General to New Caledonia, Wallis and Futuna and French Polynesia, says France has changed its attitude over New Caledonia over the last few years and is now very keen for it to become part of the region and also to strengthen its bilateral relations with Australia and New Zealand. There is still, she says, a French attachment to doing things better than the English. Decolonisation is one example and in this instance, France would put New Zealand in the same category as the English.²¹⁷ France uses the word emancipation rather than independence to talk about the decision New Caledonia will have to make. There is much more of a sense that they will want to see the decision of New Caledonia through to the end, whatever they may decide. Butler says France would not just abandon its collectivities. Because New Zealand and Australia supported the Matignon Accords and the subsequent Nouméa Accord, it has strengthened ties between the three countries.²¹⁸

François Bockel, Head of the New Caledonian government's External Relations, says the political explanation for what he agrees are warming relations between the two countries is that New Zealand and New Caledonia are in effect two accidental European countries with an indigenous people.²¹⁹ Bockel says that New Caledonians regard New Zealand as

²¹⁵ Interview with Murray McCully

²¹⁶ Ibid

²¹⁷ Interview with Anita Butler

²¹⁸ Ibid

²¹⁹ Interview with François Bockel, *Head of Regional Cooperation and External Relations, Government of New Caledonia*, 18 January 2011

similar to Britain, and Australia as similar to the United States. He says that New Zealand and New Caledonia have the same vision of humanitarian work in the Pacific: for example, both countries' involvement in the stabilisation of the Solomon Islands. Bockel says New Caledonians feel that New Zealand has done a good job of integrating Māori into the community.²²⁰ Cameron Diver, who was born in New Zealand, has a similar sentiment and makes the comment that New Zealanders could provide some useful advice and examples on how to reconcile the lifestyles and outlooks of the Kanaks and French in New Caledonia. However, Bockel and Diver's comments belie the discord being felt currently in New Zealand between many Māori and New Zealanders of other extraction and would suggest the sentiments may be misplaced. Māori are ostensibly treated equally and given equal opportunities as are New Caledonian Kanaks. There are also positive discrimination practises in each place, such as direct entrance to education and specific government funding for such education. However, statistics show that both indigenous groups are still the underclass, with lower levels of education, lower incomes, disproportionate representation in prisons, a greater likelihood of being victims of sexual abuse proportionate to the greater population, and higher rates of alcoholism.²²¹ Simon Draper alludes to the challenges facing Kanaks, which are also facing Māori and Pacific islanders in New Zealand. These include obesity and leaving the school system early. Relatively few Kanaks pursue tertiary education in New Caledonia.²²²

In spite of the social challenges faced by Māori and Kanaks, their representation in parliament and in other key leadership roles has improved both in New Zealand and in New Caledonia. Since the new Mixed Member Proportional (MMP) electoral system was introduced in 1996 in New Zealand, more Māori have become members of the cabinet. In New Caledonia in 2008, a Melanesian Kanak was appointed deputy leader.²²³ However, with the developing multi-culturalism in both countries, the relationship between Māori and Kanaks and the rest of their relative populations becomes more complex.²²⁴ This can be illustrated by the following example. Although now six years ago, then New Zealand

²²⁰ Interview with François Bockel, *Head of Regional Cooperation and External Relations, Government of New Caledonia*, 18 January 2011

²²¹ Christine Hamelin, Christine Salomon, Remi Ritta, Alice Gueguen, Diane Cyr and France Lert, "Childhood Sexual Abuse and Adult Binge Drinking among Kanak Women in New Caledonia", *Social Science & Medicine* 2009, 68(7), pp 1247-53

²²² Interview with Simon Draper

²²³ Stephen Levine, "The New Zealand-New Caledonia Relationship: A Political Perspective"

²²⁴ Stephen Levine, "The New Zealand-New Caledonia Relationship: A Political Perspective"

Minister of Foreign Affairs and Trade Phil Goff's visit to New Caledonia in 2005 on a trade mission was also criticised for not meeting or acknowledging the Customary Senate (which, under the Nouméa Accord, ensured Kanak presence in the New Caledonian government) and for being more familiar with France than New Caledonia.²²⁵

A barrier to New Zealand and New Caledonia developing closer relations is the perception New Caledonia has of its size and importance in the region compared to its actual size and importance, according to Cameron Diver.²²⁶ Diver says New Caledonia tends to think of itself as a big fish, whereas, according to him, it is just a minnow in terms of regional cooperation. Diver believes New Caledonia has to think about its internal issues before trying to rush into becoming a regional actor in international affairs. He believes issues such as its values as a nation are not really identified and yet it is trying to push headlong into the Pacific as a major player.²²⁷ It is difficult for New Caledonia to ascertain where it fits in the grand scale of things. Former New Caledonian President Philippe Gomès, ousted in February 2011 as already mentioned, is interested in international relations, but there is a sense that Australia and New Zealand are more interested in China and where US defence aspirations lie. Diver thinks it is a problem of scale and says New Caledonia has expectations over and above its relatively small economic size and population.²²⁸

A strong and growing part of the New Zealand-New Caledonian relationship is the shared involvement in military exercises, disaster relief and maritime surveillance. Paul Sinclair says that in 2010 the New Caledonian Air Force provided a Puma helicopter for a New Zealand exercise in Tuvalu, which was designed to prepare for disaster relief effort in the area.²²⁹ Sinclair says that fortuitously the New Caledonian military complements New Zealand's and while New Caledonia would like even more cooperation with New Zealand, New Zealand's Defence Force is heavily stretched. The military exercises with New Caledonia are in effect giving New Zealand the opportunity to practise with France, which is not something New Zealand would normally get to do.²³⁰ It is common to see French naval ships in New Zealand's ports and apart from units of the Australian Defence Force,

²²⁵ Adrian Muckle, "'Neo' lands in Oceania: New Caledonia and New Zealand"

²²⁶ Interview with Cameron Diver

²²⁷ Ibid

²²⁸ Ibid

²²⁹ Interview with Paul Sinclair

²³⁰ Interview with Paul Sinclair

ships and aircraft from New Caledonia are New Zealand's most frequent visitors. Sinclair says that more and more New Caledonian Defence staff personnel speak English and currently there is a French Defence Attaché based in Canberra responsible for Australia and New Zealand.²³¹

As New Caledonia moves towards self-determination, the strategic importance of France's military presence in the Pacific may change and there may not be as much opportunity for the exercises currently being conducted. That being said, although France has stated in a recent White Paper that its regional military will be retrenched, New Caledonia may be spared. In the 2008 Defence White Paper, the French government outlined the rationale for its military presence around the world. The Paper states that the Defence Force in French Polynesia will be drastically reduced following the end of nuclear weapons testing. There will, however, still be some presence in French Polynesia to monitor its five million square kilometre EEZ, but New Caledonia will become France's main military base in the South Pacific. The French military in New Caledonia is called the Forces Armées de Nouvelle Calédonie (FANC) and it numbered around 3,000 personnel in 2009.²³² French justification for its military presence in New Caledonia can be traced back to former French President Jacques Chirac, who, following the Kanak uprising in New Caledonia in the 1980s, stressed the island's strategic importance. Chirac said, "...because of its geography, New Caledonia controls air and sea lanes, which leaves it in a strategic position. Within reach of the Australasian bloc – Australia and New Zealand – offering exceptional naval and air facilities, New Caledonia is an immense aircraft carrier in the midst of the Pacific."²³³ The recent renewed focus on New Caledonia as a regional base for military activities, in spite of the 2008 Defence paper, could eventually conflict with New Caledonia's aspirations, depending to what extent they vote for independence after 2014.²³⁴ It has also raised the ire of New Caledonia's pro-independence party FLNKS.

²³¹ Ibid

²³² Nic Maclellan, "Politics: France Looks to Nouméa as Regional Base", *Islands Business International*, November 2009

²³³ Nic Maclellan, "The Australia-France Defence Co-operation Agreement. Implications for France in the South Pacific"

²³⁴ Nic Maclellan, "The Australia-France Defence Co-operation Agreement. Implications for France in the South Pacific"

Members of FLNKS have expressed concern about France's military presence and recommitment to the region in terms of the impact it may have on the vote for independence from 2014. The leader of FLNKS in the New Caledonian Congress, Roch Wamytan, says he is opposed to the policy because it goes against the UN's decolonisation resolutions where France should not be able to set up a military base in one of its collectivities.²³⁵ He says it is hard to reconcile how on the one hand France is supporting the emancipation of its South Pacific collectivity but on the other hand is using New Caledonia as its South Pacific military base. Wamytan has also expressed concern about Australia and New Zealand cooperating with the French with military exercises and potentially using France's military base in New Caledonia without consultation with FLNKS, when the two countries had shown open support for New Caledonia's emancipation from France.²³⁶ Under the Nouméa Accord, France will maintain responsibility for New Caledonia's defence policy until the first referendum of 2014. However, Wamytan's concern is that the policies being put in place now will have ramifications for the next ten to twenty years, which could affect the way that New Caledonia votes. He also complains that the French State has not involved FLNKS in any South Pacific military discussions.²³⁷

Dr Yves Lafoy has been in New Zealand on a scientific exchange from New Caledonia. He is about to become the first delegate for New Caledonia to New Zealand. Dr Lafoy will be based in the French Embassy in Wellington. In his new role as New Caledonia's representative, Dr Lafoy will still be charged with selling New Caledonia's science assets, but his role will become much broader to also encompass cultural and diplomatic exchange. His title will be Adviser for Scientific and Cultural Cooperation in New Zealand and he will work closely with the Alliance Française. The fact that New Caledonia will have its first representative here reflects the growing independence it is enjoying as a Pacific entity. Most importantly from New Zealand's perspective, there will be immediate access to a New Caledonian delegate. Dr Lafoy was born in France but lived in New Caledonia for many years. Leaders of the independence movement in New Caledonia, FLNKS, will not be represented in a delegate's role but Dr Lafoy says he has two goals for his new posting. The first, which would be welcomed by FLNKS, is to get New Caledonia to become a full

²³⁵ Nic Maclellan, "Politics: France Looks to Nouméa as Regional Base"

²³⁶ Ibid

²³⁷ Ibid

member of the Pacific Forum. Dr Lafoy's second goal is to get further New Caledonian posts established in the Pacific region.

Thus although the New Caledonia-New Zealand political relationship is underdeveloped in comparison with New Zealand's relationship with France, it is moving forward. In spite of the differences in language and culture, New Zealand and New Caledonia share similar values, with New Caledonia following France's liberty, equality and fraternity and New Zealand respecting the rule of law and fair and equal rights for all.²³⁸

²³⁸ Stephen Levine, "The New Caledonia-New Zealand Relationship: a political perspective"

10. The New Zealand-New Caledonia Cultural Relationship

“....perhaps the major difference between New Zealand and New Caledonia is and has been one of language, preventing there from being an ease of communication between peoples from the two territories”²³⁹

New Caledonia is New Zealand’s closest physical neighbour, but Simon Draper says most New Zealanders would not answer “the French language” if they were asked “what is the language spoken in the capital closest to New Zealand?”²⁴⁰ Cameron Diver concurs saying discussions between the New Zealand Ministry of Foreign Affairs and Trade, New Zealand Trade and Enterprise and other civil society groups in the mid 2000s, revealed that New Caledonia is not well known by New Zealanders.²⁴¹ Diver also noted that were the two places to try to develop closer ties, they would find that they had a lot in common, in spite of the cultural and language barriers.²⁴² But Adrian Muckle posits that New Zealand and New Caledonia’s respective colonisations established such different cultures, language and ways of life that they obfuscated any obvious connections between New Zealand and New Caledonia.²⁴³ The desire to develop and strengthen these missing cultural ties was behind the decision to create the 2007 “New Caledonia Cultural Season in New Zealand”.²⁴⁴ As already discussed, the Season involved a series of concerts, lectures and political discourse, which exposed New Zealand to its closest neighbour. The fact that most New Zealanders don’t know that their closest neighbour is New Caledonia or that French is spoken there goes to the heart of the argument that even though New Zealand and France are physically more distant, there is a higher public awareness of France by New Zealanders, which is largely to do with the history of the relationship (as discussed) and also because of the greater strategic importance France has to New Zealand on a global level. It is also fair to say that New Caledonians have a greater understanding of New Zealand and the New Zealand culture than New Zealand does of theirs.

²³⁹ Stephen Levine, “The New Caledonia-New Zealand Relationship: a political perspective”

²⁴⁰ Interview with Simon Draper

²⁴¹ Cameron Diver, “Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia”

²⁴² Ibid

²⁴³ Adrian Muckle, ““Neo” lands in Oceania: New Caledonia and New Zealand”

²⁴⁴ Ibid

Even though it is not widely fluent, English is better understood in New Caledonia among business people, politicians and diplomats than French is understood in New Zealand. The challenge for both governments is to find a way to develop a deeper understanding in spite of these language differences so that mutually beneficial trade and exchange can be achieved. New Caledonians understand that by opening up to the Pacific region, they will have to make an effort to become more proficient in English. Dr Yves Lafoy acknowledges that internationally New Caledonia suffers from a lack of image, partly due to the language barrier, with most other powerful nations speaking English.²⁴⁵

There is a certain element of shallowness in the current New Caledonian-New Zealand relationship similar to what Rosemary Banks alluded to when discussing France's impression of New Zealand.²⁴⁶ Michael Christie further alludes to this relationship of stereotypes with the impression New Caledonians have of New Zealand. He says it is perceived as a country where ecology and nature are respected and where one would find a good rugby team!²⁴⁷ Christie says New Caledonians are aware of the French stereotypes they are labelled with such as that they complain and strike a lot. He says however that New Caledonians have a sense of humour about these claims. Christie thinks New Zealand and New Caledonia are starting to understand each other better and realise that the way to foster greater understanding and mutual benefit is to develop close-knit personal relationships.²⁴⁸

There are also exchanges between New Zealand and New Caledonia in the field of scientific research. These exchanges are seen as a useful opportunity by former Director of the Pacific Division of MFAT John Adank and also by former French Ambassador to New Zealand Michel Legras. However, these have been one-way with New Caledonia funding a high-level exchange but New Zealand not reciprocating. Legras says both New Caledonia and New Zealand's very strong research centres ignore each other.²⁴⁹ In addition to the financial barrier standing in the way of doing more scientific exchanges, there is also the language barrier; however, this can be seen as an opportunity for scientists to learn either

²⁴⁵ Interview with Dr Yves Lafoy, *Cooperation Adviser for Scientific and Cultural Cooperation with New Zealand, Government of New Caledonia*

²⁴⁶ Interview with Rosemary Banks

²⁴⁷ Interview with Michael Christie

²⁴⁸ Ibid

²⁴⁹ Interview with Michel Legras

French or English. French Ambassador to New Zealand, Francis Etienne, believes that there is scope for far more scientific cooperation, pointing to both the National Institute for Water and Atmospheric Research (NIWA) and the Institute of Geological and Nuclear Sciences Limited (GNS) as obvious New Zealand-based centres for exchange but he believes New Zealand's position on the world stage in terms of science and research and development is slipping. He feels that the New Zealand government is preoccupied with getting results and thus focuses on applied rather than fundamental science.²⁵⁰

Dr Yves Lafoy is the first high-level New Caledonian scientist to come to New Zealand to conduct research. His initial project was a joint study for NZAid and the Ministry of Research Science and Technology (MoRST), which is due to merge into the Ministry of Science and Technology. This Pacific Study, which was commissioned in 2007, looked at the role of New Zealand science in the Pacific, particularly with regards to development. During the course of the research, Dr Lafoy visited Fiji, New Caledonia, Vanuatu and Samoa.²⁵¹ Dr Lafoy's secondment in New Zealand was funded by the Regional Cooperation and External Relations Department, which is the New Caledonian government's MFAT equivalent. Lafoy is now based at NIWA. The promise of the New Zealand government funding and sending a New Zealand scientist to New Caledonia in return has not eventuated. According to Dr Lafoy, this was a consequence of the 2008 global downturn, but he is hopeful it may still happen and thinks it is just a matter of convincing the right institutions.²⁵² Dr Lafoy believes one of the key drivers of France developing a strong presence and good relationship with New Zealand is its interest and position within the EU. He says access to European money is strategic to France so it has a strong political will for New Caledonia to become a regional partner in the South Pacific, thereby enabling access to EU funding for scientific research.²⁵³ As previously discussed, Dr Lafoy will take up his new role as New Caledonia's first representative to New Zealand later in 2011, once a new government has been elected in New Caledonia.

New Zealand can learn from Australia's success at developing a cultural programme on New Caledonian soil. The Australian Consul-Générale in New Caledonia holds an annual

²⁵⁰ Interview with Francis Etienne

²⁵¹ Interview with Dr Yves Lafoy

²⁵² Ibid

²⁵³ Ibid

Australian indigenous film festival, NADOC. Australian Consul-General Anita Butler says the festival has been a resounding success and always sells out.²⁵⁴ New Zealand, on the other hand, has developed a successful sporting exchange where up and coming rugby players from French collectivity Wallis and Futuna can attend a New Zealand secondary school, Lindesfarne College in the Hawkes Bay to study and play rugby. One former student has seen success after being selected for the French Under 21 team.²⁵⁵ French Ambassador to New Zealand Francis Etienne says the opportunity for student exchange between New Zealand and the French Pacific collectivities is significant and he would welcome more exchanges between universities and schools.²⁵⁶ The Chamber of Commerce in Nouméa is active in promoting tertiary education exchanges.²⁵⁷ Cameron Diver, an adviser to the New Caledonian government's Education Member Sonia Backes, is spearheading an exchange between secondary teachers, where New Caledonian teachers would teach French in New Zealand and New Zealand teachers would teach English in New Caledonia.²⁵⁸ The initiative has hit a few stumbling blocks, with divisions within the New Zealand government about which ministry should take the lead. The New Zealand Ministry of Education has held up the project, according to Diver, because it has struggled to identify who should be managing it and also because of hold ups over teaching standards and how these would be assessed. He is confident however that the exchanges will take place in the next year.²⁵⁹

The impact of rugby on the relations between New Zealand and France cannot be underestimated. The French Embassy in Wellington has been preparing for at least two years for the influx of French visitors expected during the 2011 Rugby World Cup, which will be held in New Zealand. New Zealand's Embassy in France has been planning ways to educate French business people when they are in New Zealand about business opportunities. The rugby connection between the two countries goes back nearly one

²⁵⁴ Interview with Anita Butler

²⁵⁵ Cameron Diver, "Public Opinion in the Development of Foreign Policy in French Pacific Territories: The Example of New Caledonia"

²⁵⁶ Interview with Francis Etienne

²⁵⁷ Interview with Dr Yves Lafoy

²⁵⁸ Interview with Cameron Diver

²⁵⁹ Ibid

hundred years. The French and New Caledonians will invariably mention rugby or having a good rugby team as things they associate with New Zealand.²⁶⁰

With New Zealand and New Caledonia being only a two hour flight away from each other, one would expect robust tourism in both directions. This is not the case. Relatively few New Zealanders visit New Caledonia. Many New Caledonians however visit New Zealand and thousands are expected for the Rugby World Cup. In 2009, around 12,000 trips were made from New Caledonia to New Zealand, 15,000 to French Polynesia and 11,000 to Australia. It is expected that over 2000 New Caledonians will come specifically to New Zealand for the Rugby World Cup in 2011. In 2006, around 7,000 New Zealanders travelled to New Caledonia.²⁶¹ If this is compared on a per capita basis with New Caledonia only having around a quarter of a million people and New Zealand having over four million, New Caledonia receives far less New Zealand tourists than New Zealand receives New Caledonians.

There are several reasons why tourism is one-sided. The most important is cost. It is simply much more expensive for New Zealanders to travel and stay in New Caledonia than it is for them to travel to Fiji, the Cook Islands or Samoa. Stagnating tourism in New Caledonia has been blamed on the 2008 global downturn but the reasons for its decline are much deeper.²⁶² In 2009 overall visitors to New Caledonia were less than 100,000, which was half as many as those travelling to Fiji, in spite of Fiji's military regime.²⁶³ David Chappell cites a number of reasons for these disappointing tourism numbers, including the high cost of living, which in turn is translated into the high cost of hotels and food. He says cruise ship passengers have complained that Nouméa is soulless with unfriendly shopping hours and shop locations.²⁶⁴ Because New Caledonia is highly subsidised by France and is a rich nation, as a result of this support and its nickel income, there is a sense that New Caledonia doesn't care about tourists, or promoting tourism.²⁶⁵ Australian Consul-General

²⁶⁰ Interview with Michael Christie

²⁶¹ Gilles Pestaña, "Deux voisins dans le mondialisation", from *New Zealand-New Caledonia Neighbours, Friends, Partners*, edited by Frédéric Angleviél and Stephen Levine, Victoria University Press, 2008

²⁶² David Chappell, "Melanesia in Review Issues and Events 2009, New Caledonia", *The Contemporary Pacific*, Vol. 22, No. 2, Fall 2010, pp. 433-440

²⁶³ Ibid

²⁶⁴ Ibid

²⁶⁵ David Chappell, "Melanesia in Review Issues and Events 2009, New Caledonia", *The Contemporary Pacific*, Vol. 22, No. 2, Fall 2010, pp. 433-440

to Caledonia, Anita Butler, says there are lots of opportunities for eco-tourism and adventure tourism, but they are expensive and not marketed to tourists. For example, she has seen advertisements in French for activities such as moonlight kayaking, seeing the red earth in the north of the island and horse trekking, which she believes would be appealing to New Zealand and Australian visitors.²⁶⁶ The Japanese market appears to be more catered for in New Caledonia with restaurant menus presented in Japanese and Japanese-speaking staff at many of the tourist operators.

New Caledonian tourism is at this stage focussed on displaying the “French” side of New Caledonian life, with the main hotels and resorts located on the white sandy beaches of Nouméa. However, indigenous Kanaks in the Loyalty Islands in New Caledonia have expressed some desire to promote tourism in their protected ecological areas if they were to receive the support of the provincial government.²⁶⁷ This plan must be tempered however with the Kanaks’ desire to preserve their cultural and ecological heritage and to resist what some Kanaks feel is encroaching globalisation.²⁶⁸ It is an interesting proposition because it recognises that there is a growing market for eco-tourism around the world, but also it recognises the Kanaks desire for their identity and heritage to be preserved.²⁶⁹

Expatriate New Zealander and New Caledonian businessman Michael Christie says cultural relations between New Caledonia and New Zealand could be improved if there were more of a New Zealand media presence. He has lobbied the New Zealand and Australian Consuls-Générale to consider promoting New Zealand and Australian television on New Caledonia’s television network. In the Pacific Inquiry into New Zealand’s Relationships with South Pacific Countries by the Foreign Affairs, Defence and Trade Committee, although New Caledonia is not mentioned, a general regional concern noted is the lack of New Zealand media coverage in the region. The report suggests that greater support be given to broadcasting in the Pacific.²⁷⁰

²⁶⁶ Interview with Anita Butler

²⁶⁷ Leah S. Horowitz, ““It’s up to the clan to protect”: Cultural Heritage and the micropolitical ecology of conservation in New Caledonia”

²⁶⁸ Ibid

²⁶⁹ Ibid

²⁷⁰ “NZ Aid to Pacific Needs More Focus Report”, *PAC-Pacific Islands Broadcasting Association*, 14 December 2010

Although it would seem incongruous that New Zealand would have differing relationships with France and with New Caledonia on a cultural and language level, this section has illustrated the stumbling blocks which are hindering New Zealand's relationship with New Caledonia. There is potential for a much closer cultural relationship but cooperation at a scientific and social level needs to be further developed. New Caledonia needs to assess and focus on its tourism opportunities if it decides that they are important to its financial and cultural future and New Zealand needs to commit to returning the scientific exchanges offered by New Caledonia and to work on making educational exchanges easier to instigate for both countries.

11. The New Zealand-New Caledonia Trade Relationship

New Caledonia imports far more from New Zealand than New Zealand imports from it. New Caledonia is a highly protected French collectivity and New Zealand is a more open market. In 2010, New Zealand exported around NZ\$174 million worth of products to New Caledonia and imported around NZ\$2.6 million in return. This is a factor of 67 times more whereas New Zealand's population is only 16 times that of New Caledonia's. In 2009, New Zealand exported around NZ\$178 million compared to importing only NZ\$1.5 million, which is a factor of 118 times more. Therefore in the last year, New Caledonia has significantly increased its exports to New Zealand, albeit from a very small base. These figures do not include services and investments between the two countries.²⁷¹ This can be compared to New Zealand's trade with France. In 2010, New Zealand imported nearly \$NZ600 million worth of merchandise from France while France imported nearly \$NZ500 million worth from New Zealand.²⁷² As in its trade with New Caledonia, on a per capita basis, New Zealand exports significantly more to France than it imports in return. In comparison to New Caledonia's trade with Australia, New Caledonia exported around one hundred times more to Australia than it did to New Zealand in 2007.²⁷³ However, that can be attributed partly to the larger population size of Australia compared to New Zealand and also to the fact that Australia imports nickel from New Caledonia, which New Zealand does not.

The reasons for the trade imbalance between New Caledonia and New Zealand are twofold. First, there is a lack of financial motivation for highly protected New Caledonia to export to New Zealand and second, it is expensive for New Zealand to import products from New Caledonia simply because of this protection. Another issue is that New Zealand does not have heavy industry requiring nickel and does not have the need to import any of New Caledonia's main export. As mentioned in 2006, 96 per cent of New Caledonia's exports were nickel.²⁷⁴ The difference in trade barriers is significant. New Zealand tariffs are between zero and five per cent while New Caledonia has tariffs of between 15 and 30 per

²⁷¹ The New Zealand Department of Statistics. www.stats.govt.nz

²⁷² Ibid

²⁷³ Michel Pérez, "Similar Histories, Parallel Destinies, Converging Diplomacies", from *New Zealand-New Caledonia Neighbours, Friends, Partners*, edited by Frédéric Angleviel and Stephen Levine, Victoria University Press, 2008

²⁷⁴ Information obtained from the French Embassy in New Zealand, May 2011

cent.²⁷⁵ David Aubergier says that New Zealand has, in spite of its relatively small size globally, a strong position in the Organisation for Economic Cooperation and Development (OECD) and the WTO and pushes hard for New Caledonia and France to lower their tariffs. Recently the EU restored milk subsidies, which makes it even more challenging for New Zealand. New Zealand sees New Caledonia as a closed market where prices are inordinately high. MFAT, NZTE and the relevant New Caledonian authorities are working closely to try to improve trade relations.²⁷⁶ New Caledonia has a good agricultural base but it is not well developed. Production costs are high in New Caledonia, which means it imports many of its products from China and the Philippines. This is a similar situation to New Zealand where industries such as clothing manufacture have moved production into Asia, and where many products are imported rather than made in New Zealand.

Historically New Caledonia has been reluctant to talk trade with Australia and New Zealand. France, Australia and New Zealand have pushed trade in the Pacific between New Caledonia and its neighbours. A case in point happened in March 2011 at the Pacific Trade Exposition in Auckland, New Zealand. The French Trade Commission tried to recruit ten companies from New Caledonia and French Polynesia to display at the Expo; however, there was an element of rivalry between the two collectivities and it was unable to garner enough interest to justify French government subsidies.²⁷⁷ Under the government of Philippe Gomès, however, there has generally been a stronger push for regional integration, with New Caledonia becoming a more active participant in Pacific Forum meetings. It is expected that New Caledonia will be promoting itself as a regional trade player rather than as an outpost of France more and more.

John Adank, former Director of Pacific Division at MFAT, says the trade relationship between New Zealand and New Caledonia is significant - with New Caledonia representing a key market for New Zealand exports in the Pacific.²⁷⁸ For the year ended June 2011, New Zealand exports to New Caledonia were \$181 million. Imports from Caledonia were \$2.3 million.²⁷⁹ Because New Zealand doesn't use nickel, there are limits to the products it can

²⁷⁵ Interview with David Aubergier, *Strategic Relations Adviser, New Zealand Trade and Enterprise*

²⁷⁶ Ibid

²⁷⁷ Interview with Yassine Amraoui

²⁷⁸ Interview with John Adank

²⁷⁹ Figures obtained from mfat.govt.nz

import, but there are efforts underway to improve trade and business links. Although only a few New Zealand business people live and work in New Caledonia, Simon Draper has set up a New Caledonia-New Zealand business group to foster relations and generate business.²⁸⁰

New Caledonia's highly protected economy means that a normal competitive advantage cannot be achieved. This means that New Caledonians are fearful of taking their business offshore. The move towards global integration and free trade has put extra pressure on all the Pacific islands including New Caledonia, which in many cases have only infant industries and are not yet ready to compete freely on the global stage. It can take New Caledonian farmers up to two years to meet the strict biosecurity requirements of New Zealand. Senior Investment Officer, at ADECAL, the New Caledonia Economic Development Agency, Alain Chung-Wee, is concerned that because the New Caledonian market is so protected, there is no incentive to maintain the quality of local products and the means of production, so that if the market were opened up, New Caledonian companies may not be able to compete.²⁸¹

The Pacific islands' remoteness from their major trading partners such as the EU, Australia, New Zealand and from each other makes it even more challenging.²⁸² Businesses with strong links to the New Caledonian government can also gain some protection from imported products, with the government having the power to ban the import of products if it is seen to pose a financial risk to a local producer. New Caledonian businesses expect protection from the government. This is seen as a given, not a bonus.²⁸³ Marketing differences, language barriers and perceived high business compliance costs in New Caledonia also hinder trade.

New Zealand exports to the French collectivities are significant and it is understandable why the New Zealand government would be interested in developing them further. New Caledonia is New Zealand's second largest Pacific export destination and French Polynesia its third. New Zealand exports include meat, dairy products, oysters and other specialty

²⁸⁰ Interview with Simon Draper

²⁸¹ Interview with Alain Chung-Wee

²⁸² Interview with David Aubergier

²⁸³ Interview with Alain Chung-Wee

seafood, processed food, timber, aluminium and building products. New Zealand imports some tropical fruit, fish and pearls from New Caledonia and French Polynesia, but the trade balance is weighted heavily in New Zealand's favour.²⁸⁴

David Aubergier, Strategic Relations Adviser at New Zealand Trade and Enterprise and former adviser at the French Embassy in New Zealand, says that while New Zealand feels extensive biosecurity checks on imports are vital, the French find them relentless and excessive.²⁸⁵ These checks were considered "disguised protectionism" because the importation of agricultural and food products into New Zealand require Import Health Standards (IHS) set out by the New Zealand Food Safety Authority and Biosecurity New Zealand, which can take years to meet. When at the French Embassy in New Zealand, David Aubergier worked alongside the French Ministry of Agriculture, NZTE and the EU delegation in Wellington to gain the right to sell raw milk cheese in New Zealand made from raw milk including the famous French Roquefort cheese. This process took two years and the time and cost involved would be beyond the scope of a small to medium-sized New Caledonian company. David Aubergier asks how New Zealand can say it is a country that promotes free trade when up until recently it banned raw milk cheeses?²⁸⁶

Michel Legras says that the bio-security requirements make it impossible for New Caledonia to export tropical fruits to New Zealand and that New Zealand resorts to multinational firms such as Dole which he feels forces New Caledonia out of the action.²⁸⁷ That being said, Alain Chung-Wee says New Zealand does import small amounts of Tahitian limes from New Caledonia and some off-season vegetables as well.²⁸⁸ New Zealand used to import lychees, but a hurricane wreaked havoc on the lychee plantations in New Caledonia. In addition, there is a small amount of specialty coffee grown and exported to New Zealand.²⁸⁹

Michel Legras disagrees with the banning of pork imports from France because of the risk of porcine disease entering the New Zealand pork industry. However, David Aubergier

²⁸⁴ New Zealand Ministry of Foreign Affairs website, www.mfat.org.nz

²⁸⁵ Interview with David Aubergier

²⁸⁶ Ibid

²⁸⁷ Interview with Michel Legras

²⁸⁸ Interview with Alain Chung-Wee

²⁸⁹ Ibid

says there is a legitimate concern about the disease because of the inability of New Zealand authorities to adequately control domestic New Zealand backyard piggeries where the porcine disease could spread.²⁹⁰ As an update to this pork issue, France is in the final stages of negotiation with New Zealand and official approval was received last month from New Zealand authorities to start importing pork meat products. The decision has been challenged in court by local producers and a court decision is expected in July 2011. It is expected that the decision will go in France's favour, with the granting of the imports of pork products from France, the EU, the USA and Mexico.²⁹¹

The challenges for New Zealand businesses to set up in New Caledonia begin with exacting standards, which come from France. For example, if one constructs a building, it has to be up to French standards, even though New Caledonia is an island nation of only 250,000 residents. Many small New Zealand firms do not take up the challenge because it can cost approximately \$NZ10,000 to set up a business in New Caledonia. Although it can appear daunting for a New Zealand business to consider exporting its products or services to New Caledonia or to set up a business there, Simon Draper says there are enormous opportunities for New Zealand companies.²⁹² Draper says that New Zealand is missing a vital opportunity with New Caledonia, which is to use it as a gateway to the EU.²⁹³ He says that if a New Zealand firm were to build or develop something in New Caledonia, it would then in effect have duty and quota free access to Europe.²⁹⁴ Draper suggests, for example, that New Zealand dairy giant Fonterra could export raw products to New Caledonia, make them into an added-value product and then enjoy quota and duty free access to Europe.²⁹⁵ The head of MFAT, John Allen, believes value-added products are the key to marketing to the EU. He says New Zealand needs to augment its commodity exports with higher value products.²⁹⁶ Pierre Kolb is an elected member of the New Caledonian Chamber of Commerce. He clarifies that although New Caledonia has direct access to the EU, products still have some specific customs taxes. These are much lower than New Zealand or

²⁹⁰ Interview with David Aubergier

²⁹¹ Interview with Yassine Amraoui

²⁹² Interview with Simon Draper

²⁹³ Ibid

²⁹⁴ Ibid

²⁹⁵ Ibid

²⁹⁶ Interview with John Allen

Australia face, however, when they export directly to the EU.²⁹⁷ In a similar vein, if New Caledonia becomes a member of PICTA as has been mooted, its members (which do not include New Zealand and Australia) could tap into French and European markets.

Another area of growth and a huge opportunity for New Zealand is construction and its associated businesses. The mining sector, including two massive multi-billion dollar mines currently under development, has put enormous pressure on the building and housing sector. There are needs for low cost housing, construction of buildings and other infrastructure. A goal of the New Caledonian government is to bring the Northern Provinces in line with the wealth of the capital Nouméa through mining and other ventures although there is a shortage of people to work there.²⁹⁸ Draper says Australia is more proactive as it doesn't carry as much historical animosity about France as New Zealand does, and Michael Christie, who works in New Caledonia for Australia-based Komatsu, says there are several infrastructure projects in the tender stage, which are significant. Draper acknowledges the challenges of setting up a business in New Caledonia. Generally, a commercial partner is essential and as mentioned, the compliance costs of setting up a company or export arm can be too high for some smaller New Zealand firms. Labour laws are restrictive and work permits for New Zealand citizens are a challenge to obtain.²⁹⁹ Although the main island is rich in mineral ore, New Caledonia lacks the financial capital and technological skills necessary to launch large-scale projects on its own. Therefore, those in favour of independence call for the formation of economic relationships with institutions from nations other than France. New Zealand has a much larger financial base and higher technological skills than New Caledonia and is in a good position to develop closer economic relationships with its closest Pacific neighbour. One opportunity, according to Simon Draper, would be to take advantage of New Zealand's shorter lead-time for spare parts. For example, when a company in New Caledonia orders a part from France, it can take months, whereas if one were to order that same spare part from New Zealand, it could be in New Caledonia within a week.³⁰⁰

²⁹⁷ Interview with Pierre Kolb, *Member of the New Caledonian Chamber of Commerce and Chief Executive Officer of A2EP Engineers*, 19 January 2011

²⁹⁸ Interview with Cameron Diver

²⁹⁹ Interview with Simon Draper

³⁰⁰ Interview with Simon Draper

Lockwood Homes is a New Zealand firm which has operated in New Caledonia successfully. It has had an operation in New Caledonia for several years and has hired French-speaking employees. Lockwood mainly builds residential housing and Senior Investment Officer at the New Caledonia Economic Development Agency Alain Chung-Wee recalled a particularly strong cyclone with up to 200 kilometre per hour winds one year where a Lockwood home did not budge from an exposed hillside. The perceived strength of the Lockwood home following that incident has enhanced the firm's reputation. Chung-Wee believes, however, that Lockwood would get bigger sales volumes in New Caledonia if it gave a bigger margin to its franchisees.³⁰¹

Barriers to trade have been falling in the Asia Pacific generally, with overall tariffs falling from 17 per cent in 1989 to 5.5 per cent in 2004³⁰², but New Caledonia has completely bucked that trend and is still a highly protected collectivity. It appears that New Caledonia, while ostensibly wanting to become part of the region, is holding steadfast onto the protection afforded to it by France. Advocates of multi-lateralism would say New Caledonia should get rid of its tariffs and barriers, open its borders and operate in a free trading environment. National sovereignty realists would say that states should override market forces in order to defend the autonomy of their proud cultural heritages.³⁰³

Francis Etienne says his role is fostering exchanges between New Caledonia and New Zealand and he will be making a push for more small New Zealand firms to look at opportunities for partnerships in New Caledonia.³⁰⁴ New Zealand is a major and physically close potential market for New Caledonia, but at this stage New Caledonia enjoys a large degree of protection and has little incentive to further develop its exports to New Zealand.

Businessman and New Caledonian Chamber of Commerce elected member Pierre Kolb was to be part of a delegation coming to New Zealand in March 2011 to develop business interest in New Caledonia. As previously mentioned, this trip has been postponed pending

³⁰¹ Interview with Alain Chung-Wee

³⁰² Ibid

³⁰³ Richard Feinberg, "Voluntary Multilateralism and Institutional Modification: The First Two Decades of Asia Pacific Economic Cooperation (APEC)", *Springer Science and Business Media, LLC* 2007

³⁰⁴ Interview with Francis Etienne

the election of a new government in New Caledonia. Pierre Kolb currently sees a number of export opportunities for New Caledonia. New Caledonian prawns (les crevettes) are sweeter and much tastier than the prawns currently available in New Zealand. These delicacies are highly sought after in several countries for haute cuisine.³⁰⁵ They are exported to Australia, mainly for the restaurant industry where they are promoted on restaurant menus and where patrons pay a premium for them over Australian prawns. The prawns are also exported to Japan but the prawns' antennae must remain intact.³⁰⁶ This makes the export process time and labour intensive for New Caledonia, but Japan is willing to pay a premium. Pierre Kolb believes New Caledonian prawns could be exported to New Zealand. The problem is that the prawns are much more expensive than the Thai and Australian prawns New Zealand currently imports and it is unlikely New Zealanders would be willing to pay more money for them at a fishmonger or supermarket. Taking Australia as an example, it is most likely that the way the prawns should be marketed in New Zealand is as a niche product at the country's top restaurants or made available at upmarket seafood outlets.

Pierre Kolb also says a beverage opportunity between New Zealand and New Caledonia, which is gaining momentum and looking promising comes in the form of a European soft drink. Orangina is similar to Fanta but with a more natural bent. Discussions are well underway and Kolb feels it is very likely to proceed.³⁰⁷ What will happen is that New Zealand will set up a joint venture in New Caledonia to manufacture the beverage, which will then be sent back to New Zealand. He says this will be more cost effective than manufacturing the Orangina in New Zealand or importing it from Europe.³⁰⁸ This is an example of commercial cooperation between New Zealand and New Caledonia, which should have a mutual financial benefit.³⁰⁹ Alain Chung-Wee thinks there would be a market for a New Zealand rental campervan company to set up in New Caledonia. He hopes that the pending trade mission from New Caledonia to New Zealand will encourage

³⁰⁵ Interview with Pierre Kolb, *Member of the New Caledonian Chamber of Commerce and Chief Executive Officer of A2EP Engineers*

³⁰⁶ Interview with Pierre Kolb

³⁰⁷ Ibid

³⁰⁸ Ibid

³⁰⁹ Ibid

businesses of this type to be set up in New Caledonia in the vein of the success of Lockwood Homes.³¹⁰

Alain Chung-Wee says discussions have been held to consider exploration for natural gas and oil in the New Caledonian EEZ. If a supply is found, it may indeed overlap with the New Zealand EEZ. There is an opportunity for the two Pacific island nations to work together in some sort of a joint venture to explore the sea floor. However, such exploration is extremely costly and may ultimately lead to nothing. Even if gas or oil were found, the costs of extracting them are also extremely expensive.³¹¹

While New Caledonian prawns could potentially be marketed to New Zealand as an exclusive and exotic high-end product, New Zealand products in New Caledonia face the barrier of being foreign in an exclusively French market. Supermarkets in New Caledonia are for all intents and purposes French. All packaging is in French and the vast majority of products are imported from France and other European countries. An example is butter which is imported from France with its packaging in French. While New Zealand butter and some cheese can be found on supermarket shelves in New Caledonia, by far the majority of the cheese and butter is from France. Should the New Caledonian government follow its stated initiative of developing closer regional ties, the New Zealand dairy industry could take advantage of the sophisticated palate of New Caledonians. Fonterra and the independent players in the industry would need to consider the types of cheese and butter New Caledonians would buy and develop and package them accordingly.

New Zealand-New Caledonian trade is one-sided in New Zealand's favour because, in spite of moves towards more independence, economically New Caledonia is still highly subsidised by France and there is no motivation for it to develop its export industry. It is the same lack of motivation that impedes the promotion of tourism. From New Zealand's perspective, there are several key opportunities which are not being taken advantage of, particularly in regards to the mining industry, associated infrastructure and building requirements and also opportunities in the food industry. French food products could

³¹⁰ Interview with Alain Chung-Wee

³¹¹ Ibid

easily and effectively be substituted with New Zealand products were they to be adequately labelled and marketed in the French language.

In many ways the potential economic relationship offers the most hope as a driver for a better overall relationship between New Caledonia and New Zealand. Strategically, New Caledonia is important economically for New Zealand but this strategic importance is not reciprocated because of New Caledonia's protected economy and its current funding from France. This funding lessens its motivation to promote exports and tourism. As New Caledonia moves towards more self-determination, it is expected that its exports to New Zealand will grow substantially. This has already been illustrated in the shape of the over 70 per cent increase in exports between 2009 and 2010.³¹² Once New Zealand becomes a strategic export market for New Caledonia, this could be the driver for developing closer relations culturally and politically.

³¹² The New Zealand Department of Statistics, www.stats.govt.nz

12. Summary and Conclusions

By 2011, France and New Zealand were cooperating in an open and friendly way in the South Pacific, in spite of what some perceive as a hangover of resentment by New Zealand towards France over the Rainbow Warrior bombing and nuclear weapons testing. There are many aspects of the Franco-New Zealand relationship including military cooperation, coordinated disaster relief in the form of the FRANZ agreement, peacekeeping in unstable regions and trade and diplomacy. The relationship has blossomed since the end of French nuclear testing in 1996. France has made it clear to New Zealand that it would like its support as New Caledonia moves towards self-determination through the Nouméa Accord. New Zealand has responded positively to this request.

In spite of this warm and mutually beneficial relationship with France, New Zealand's relationship with New Caledonia has not developed to the same extent. In addition, the relationship is more one-sided than is desirable with New Zealand exporting far more per capita to New Caledonia than the latter does in return, and with tourism decidedly one-sided in New Zealand's favour. Cultural and scientific exchanges are acknowledged as being vital to the warming of relations and the building of cultural ties, but New Zealand has not responded to New Caledonia's overtures. New Zealand bureaucracy is holding up some educational exchanges and New Zealand has not reciprocated Dr Yves Lafoy's high-level scientific secondment.

The desire to develop the political ties between the two Pacific neighbours is evident with directives from both the New Zealand and New Caledonian governments to nurture the direct relationship over and above their respective relationships with France. This commitment is significant and it will require regular diplomatic exchanges and cooperation in Pacific matters, be they aid, trade or otherwise, to ensure it is achieved. New Zealand and New Caledonia are both relatively wealthy Pacific entities and cooperation in aid donation between them is in the early stages. Aid to the Pacific is vital for its growth and viability. Although further investigation of New Zealand and New Caledonia's participation was outside the scope of this thesis, this would make an interesting topic for further research.

Perhaps the biggest barrier to closer and warmer relations between New Caledonia and New Zealand is on a human level. In spite of its proximity, there is a lack of affinity between New Caledonia and New Zealand citizens because of the language barrier. In spite of the argument that New Zealand and France cooperate in a much more open way than New Zealand and New Caledonia with the same language barrier, the Pacific situation is different because of the historical relevance of each country's relative colonial ties. New Zealand still maintains ties to England and New Caledonia of course to France. These historical allegiances exacerbate the language and cultural barrier to a greater extent with New Caledonia than with France. In addition, the language barrier isolates New Caledonia from many of its Pacific neighbours. While French speakers in Europe are surrounded by nations where most people speak more than one language, the large trading partners in the South Pacific are predominantly English speaking and this brings a profound challenge to New Caledonians. Indeed, many of New Caledonia's leaders do not speak English fluently and require translators when they travel on official business. This can be contrasted with countries such as Fiji, Samoa, Tonga and the Cook Islands, which in spite of their own native languages have strong proficiency in English. New Caledonia still looks to France for guidance and support, although it is trying for more regional integration through its involvement in the Pacific Forum. New Zealand has more historical affinity with countries such as the Cook Islands and Samoa, and New Zealanders are more likely to travel to these countries for holidays despite the fact that New Caledonia is closer.

While the trade balance is in New Zealand's favour, exports of products from New Caledonia to New Zealand grew by 73 per cent between 2009 and 2010. This growth is expected to continue as New Caledonia moves towards greater independence. Opportunities exist for New Zealand to increase its presence in New Caledonia by developing relationships with companies established there and also by using New Caledonia as a conduit to the European Union. Opportunities exist for New Caledonian companies to export to New Zealand through niche marketing and developing relationships or joint ventures with New Zealand based companies. It is this burgeoning trade relationship, which is expected to be the conduit for a stronger political and cultural relationship.

France will continue its presence in the South Pacific as long as its territories want it to, but it is looking to New Zealand for advice and support in helping New Caledonia become more independent and more integrated into the region. New Zealand will continue to work closely with France on humanitarian support and cooperation to achieve stability in troubled Pacific countries.

There is further scope for research on New Zealand relations with French Polynesia and Wallis and Futuna, which have only been briefly referenced in this thesis. Also the relationship and potential synergy with New Zealand Māori and their fight for recompense through the Waitangi Tribunal and the Kanak fight for independence is another topic of great interest which was outside the scope of this thesis but which would benefit from further academic analysis.

New Caledonia is New Zealand's closest neighbour and offers great opportunity for mutual understanding, political cooperation and economic exchange. The Nouméa Accord has afforded New Caledonia the opportunity to become more integrated into the South Pacific region and New Zealand is in a prime position to assist in this transition and develop a warm bi-lateral relationship independent of, but as strong as it has with France.

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Interviewee	Role	Interview Date
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