

The sinews of Japan . . . one of Tokyo's business areas with the 36-storey Kasumigaseki Building at centre. The surrounding buildings are either banks or finance houses.—Jetro Photo Service.

THE STIRRING OF AN ECONOMIC GIANT

Japan is the economic giant of the Pacific. Routed militarily in World War II, she has shown amazing resilience to bounce back and achieve much by peaceful means. Most Island groups in the Pacific have been touched by Japanese influence, and the signs are that this influence will increase.

Japanese appliances, probably more than anything else, built up Fiji's flourishing tourist industry. Japanese knowledge and equipment (and capital) gave profitable fishing industries to the Solomon Islands, Fiji and American Samoa. Japanese capital is being used to develop the timber industry of Papua New Guinea. Japan is a big buyer of metals from New Caledonia and Bougainville. She is on the threshold of getting into the Islands' tourist industry in a big way to cater for an influx of Japanese tourists.

Japan lacks many natural resources, so is a big force in world markets for what she needs. Although population growth is limited through artificial means, a rising standard of living is creating a demand for more of the good things of life. She can get many of these things, particularly food, from the Pacific Islands. Many Pacific Islands at present import food. In many of these imports they can become self-sufficient, given the necessary incentive, and then have enough over to export—to Japan.

Off-shore exploration for oil is negligible in the South Pacific. Yet beneath the sea could be untold mineral riches as search in other oceans of the world has proved. It only needs imagination and drive—plus capital, to get on with the job, and there is little doubt that Japanese interests would be happy to join the search with both know-how and capital.

It is important that the Pacific Islanders have a share in Japanese investment—or in any foreign investment for that matter—and the bigger the share the better. Politics and emerging nationalism will take care of that. Pacific Islanders are prepared to share their wealth with foreign investment, but not on terms which applied till comparatively recently, and which were nothing more than exploitation.

Fruitful partnerships in which there is mutual trust can only be of benefit to all parties.

Mana Island holiday resort in Fiji in which Toyo Ocean Development and Engineering Co, part of the Sanwa group, has acquired a financial interest.

EIGHT MILLION MORE FREE-SPENDING TOURISTS EXPECTED IN THE ISLANDS

The Pacific Islands are about to tap a virtually new tourist source, which could lead to a tremendous uplift in the industry. The Pacific has largely drawn its tourists from the United States, Canada, Australia and New Zealand, with small numbers coming from Europe, mainly in round-the-world luxury cruise ships.

The Japanese are expected to become tourists in a big way, wanting to see as much as possible in holidays of 10 days to two weeks. Japanese are visiting Europe in increasing numbers for those short periods, often taking in as much as four or five countries can offer them.

Projections are that by 1980, eight million Japanese will go abroad for holidays. By 1985 the figure is expected to be 25 million—just a quarter of the total population. The Pacific is expected to get about 10 per cent of those tourists. Just imagine, an extra 2.5 million tourists in the Pacific in one year, demanding all the services the tourist industry has to offer.

Two and a quarter million tourists are going to require a tremendous number of hotel rooms alone. They will want an active holiday, doing and seeing, rather than lying on a beach, although, no doubt, some of them will want to spend a few minutes lazing in the sun. Golf courses—the Japanese tourist wants his game of golf—spear-fishing, visiting villages, seeing how copra is cut, native arts and crafts will all interest the Japanese.

New hotels, motels, guest houses, will be required, and the Pacific at present just could not cater for such an influx, as well as the present run of tourists. The current building boom in the more popular tourist areas is likely to be given an added boost. Outside capital is likely to pour into these areas—from the US, Canada, Australia and New Zealand, and Japan. The Japanese have looked

closely at many of the islands, seeking out likely areas to develop for their countrymen's holidays.

Following the building boom will be the demand for services, for goods to sell to the visitors, for they have plenty of money to spend, and have the reputation of being free spenders.

It may seem ironic to try to sell duty free goods to the Japanese in the South Pacific, for much of what is offered comes from Japan. But the Japanese is not going to buy a National or Sony transistor radio or a Seiko watch, or Japanese whisky. He will buy similar articles made elsewhere, prestige articles such as Swiss watches, German or British cameras, German transistors and Scotch whisky. He will also buy French wine, perhaps exotic clothes from the Middle East if they are available.

All this will widen the field for duty free sales, building up internal revenue and passing through the economic pipeline for the ultimate benefit of a country. Duty free shopping may have pitfalls, just as any growth has problems in the long run, but they have not yet shown up.

Although a free spender, the Japanese tourist will want value for his money. Shoddy services, shoddy goods, might result in some short-term gain but they will soon be passed over by the Japanese as the word gets round.

Guam has been a popular tourist area for the Japanese, and so have parts of the US Trust Territory. French Polynesia interests him, so much so that it is a stop on the Japan-Tahiti-Peru air service. But there are many islands between Japan and Tahiti, some of them which have "woken up" to tourism, others which are slowly shaking themselves out of their lethargy and starting to embrace the tourist industry as a matter of necessity in today's hard world

In the 10 days to two weeks' annual holiday the Japanese will take away from the polluted atmosphere of his own cities he wants to see and do as much as he can. Don't keep him waiting for air connections or taxis. Offer him more than he can absorb—he will then fill those 10 days or two weeks to his own satisfaction, and be ready for more when the next holidays come along.

There is concrete evidence that many Japanese businessmen want to cater for their own people when they are on holiday, or rather provide the facilities. There has been a steady advance into the South Pacific tourist industry. Missions have gone to various groups to go over possibilities and report back.

In October, 1973, the Japan-Tonga Association was established by private enterprise and is planning at least one hotel, the forerunner to other hotels to back up the Dateline.

Toyo Ocean Development and Engineering Co, which is part of the Sanwa group, has acquired an interest in Mana Island Resort Co in Fiji, and is engaged in putting up hotels.

Fuji Kanko Kaihatsu Ltd, a tourist and real estate company, has set up a subsidiary in Fiji to build hotels and lay out golf courses. Tokyu Hotel Corp has bought a hotel in the New Hebrides, and has land in Tahiti to build a hotel.

Those are only pointers. The Japanese investor is prepared to wait for a return on his capital. He is also making sure his investment is safe by doing his homework. He will look closely at most island groups to assess the tourist potential.

One problem is lack of transport. Apart from the Japan-Peru service by Air France, all other services from Japan to the South Pacific are detours through Australia or Honolulu. Many alternative routes suggest themselves.

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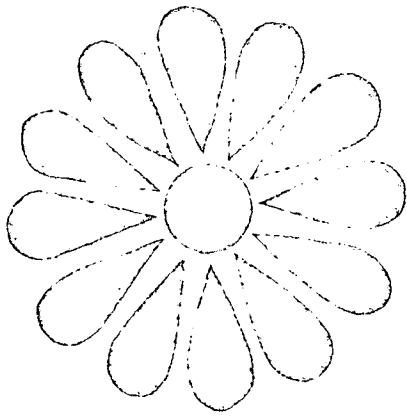
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How PNG sees the Japanese investor

By MICHAEL SOMARE, Chief
Minister of Papua New Guinea.



Mr Michael Somare.

I believe that is essential that I start by pointing out some basic Papua New Guinean attitudes before outlining the present position of Japanese investment in our country.

There are three points I wish to make absolutely clear. The first of these is that the Papua New Guinea Government will only do business with other countries on an equal footing. We will not accept that we are the poor relation in any future deal.

We may want development through investment, but this will be a two-way deal. We have rich resources and every investor must recognise that his company, whether Japanese, Australian, or from any other country, is part of the world market.

Secondly, all investors must realise that we are working from the basis that our resources belong to our people. We may require the skills and investment to exploit these resources, but the major share of the benefits must go to the people who own the resources.

Thirdly, the experiences of other countries have already shown that development through investment is not always beneficial, and in some cases may actually do harm.

Papua New Guineans have a dignified way of life. We seek self-reliance, as stated in the Government's eight-point improvement plan. But, in fact, before our country was contacted by others, our people were self-reliant. Our earth and water gave us nearly all our needs, which is more than many other countries have been able to say. Our standards of living may not have been high when compared with the present day "developed" societies, but we were self-reliant.

To some extent outside influences

have destroyed part of that self-reliance, by introducing us to new desirable ways of life. Now we seek a return to self-reliance, and overseas investment will be one of the tools we will need to achieve this aim. I have attempted to point out some of the factors that will effect our philosophy to Japanese and other investment in our country.

Now I will deal with the specific of Japanese investment.

For the first time last year Papua New Guinea's trade balance with Japan moved in Papua New Guinea's favour. Exports to Japan for the 11 months from July, 1972, to May, 1973, were worth \$71,798,621—a huge jump of almost \$51 million on the previous year. This was mainly due to the influence

Catering for all the sea ports

Japan is a force to be reckoned with in the market for those who seek their leisure at sea, such as fishing, yachting and boating. At home Japan caters for a huge number of amateur fishermen in the way of rods, reels, artificial bait and associated equipment such as nets, wading boots, snorkels and diving suits.

This market has now extended overseas, and a vast amount of the equipment is finding its way to the South Pacific. Several major Japanese firms have set up plant overseas to cater for the amateur fisherman.

The manufacture of yachts and small pleasure craft has become big business in Japan. Japan enjoys a big export market in this field. Japanese-made yachts, outboard craft and speedboats are now seen in most parts of the South Pacific.

of the Bougainville copper mine on our trade with Japan.

Imports from Japan remained reasonably steady at \$32,208,748 for the 11 months period, compared with \$38,009,000 for the 1971-72 year. Copper exports, as I have pointed out had the most dramatic effect, were worth \$58,219,924, while the other major exports were timber—\$4,623,110; and copra—\$2,594,562.

The major imports were: Transport equipment, \$13,057,608; non-electric machinery, \$5,160,815; fish preparations, \$4,053,231; and rubber goods, \$3,469,069.

The reversal in the balance of trade was a welcome sign, and reflects the generally high prices being paid on the world market for our natural resources.

The signs for the future are for increasing expansion of the trade between Japan and Papua New Guinea. My government has spent some time expanding and clarifying policies on foreign investment.

In the February reshuffle of the Cabinet, I appointed Mr Gavera Rea to the new portfolio of National Development.

This new ministry will have overall responsibility for four major functions: the new National Investment and Development Authority (NIDA), which will register and supervise all foreign investors; the Papua New Guinea Investment Corporation, the government agency for holding equity in business ventures; the secondary industry branch of the former Department of Trade and Industry; and the Labour Department, which supervises our

\$40 million invested

localisation and training policy and industrial relations.

NIDA, as co-ordinating body for all dealings between the government and foreign investors, will make future negotiations simpler for Japanese and other investors. I do not propose to go into details of our investment requirements here, however they all relate to the basics that I outlined earlier.

The Japanese are still relative newcomers to investment in Papua New Guinea. But already Japanese companies have shown a willingness to offer government agencies such as the Investment Corporation equity holding in their projects.

In February, last year, in Tokyo I stated that foreign investment was necessary, but this need would be balanced against the needs of our people. This remains one of our guiding principles. It is estimated that Japanese companies have invested or committed up to \$40 million here in the last three to four years.

The establishment of NIDA will give us an accurate assessment of all foreign investment in Papua New Guinea. Since 1969-70 total private overseas investment inflow—excluding investment in the Bougainville Copper Ltd project—has averaged \$50-\$60 million a year.

It seems that Japanese interests represent roughly 20 per cent of new private overseas investment. At the moment Japanese sources are believed to account for less than 5 per cent of the total stock of private capital in our country, but we expect this to increase.

So far Japanese investment has been mainly in the natural resources field. Raw products are extracted and sent to Japan for processing. But in several of these fields now—particularly fishing and timber—processing plants have been established or are planned.

My government will encourage home manufacturing industry development so that a greater share of the final value of our natural resources can be retained within Papua New Guinea. As I have said we wish to become more self-reliant and we can do this through investment by producing more of the things we need in our own country.

With this developing participation in secondary industry we will expect

a swing away from investment in such primary fields as agriculture.

My government will strongly discourage foreign investment in fields where Papua New Guineans have sufficient experience and sufficient finance to run their own businesses and also in fields, which the government, for political and other reasons, considers should be localised.

Japanese companies already have interests in Papua New Guinea in oil palm, fishing, timber, trading and tourism. There is also a significant interest in mining through the international loans to Bougainville Copper Ltd. Japanese companies are estimated to have interests in about \$40 million worth of timber projects. In fact, about 75 per cent of the capital employed for timber projects in PNG is Japanese.

The companies involved include Sobhu Corporation at Bulolo in the Morobe District and at Open Bay in New Britain, the Honshu Paper Company operating as Jant Pty Ltd, in Madang, Shin Asahigawa New Guinea Pty Ltd and Nissho-Iwai Co Ltd, both in New Britain.

In most of these operations there is provision for considerable home processing, such as sawn timber, wood chip and veneer operations. Japanese investors are already showing considerable interest in proposed raw timber developments, worth about \$200 million. These projects will incorporate maximum processing in Papua New Guinea, as is economically feasible.

Foreign investment of all kinds opens the way for the growth of service businesses. It will be our government's objective to ensure that

these service businesses are run and owned by Papua New Guineans.

I am pleased that when one Japanese company took over timber development at Bulolo about 18 months ago, it agreed to change previous policy under which the company had directly operated many of the service businesses.

Japanese companies are estimated to have about \$6 million invested or committed in agriculture. The main investment field here has been oil palm, but Japanese capital may play a large part in the processing of associated agricultural products, such as coffee. Three companies with Japanese share-holdings—Carpenter Kaigai (Papua New Guinea) Pty Ltd, Gollin Kyokuyo (Niugini) Pty Ltd, and New Guinea Marine.

Products Pty Ltd is currently operating fishing fleets in Papua New Guinea's northern waters. It has provided about 65 per cent of the \$5 million invested in this field.

Investment of another \$2 million is likely with the development of a fish cannery proposed by the Papua New Guinea Canning Company Pty Ltd—a consortium of Japanese, Australian and American companies and Papua New Guinea's Investment Corporation.

Another important aspect of this industry was the recent Japanese investigation into the establishment of proper fisheries training facilities here.

Employment and training will be an important aspect of our future investment policy. We will not allow foreign companies to compete for the small skilled labour market here. Investors will be required to train their own staff. In this way every

Anewa Bay, Bougainville, and the port through which Bougainville copper ore passes on its way to the smelting factories of Japan. The ore ship alongside the wharf is the Anne Mildred Brovig.

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A timber yard at Bulolo, Papua New Guinea. A Japanese timber firm took over development of the timber industry there 18 months ago.

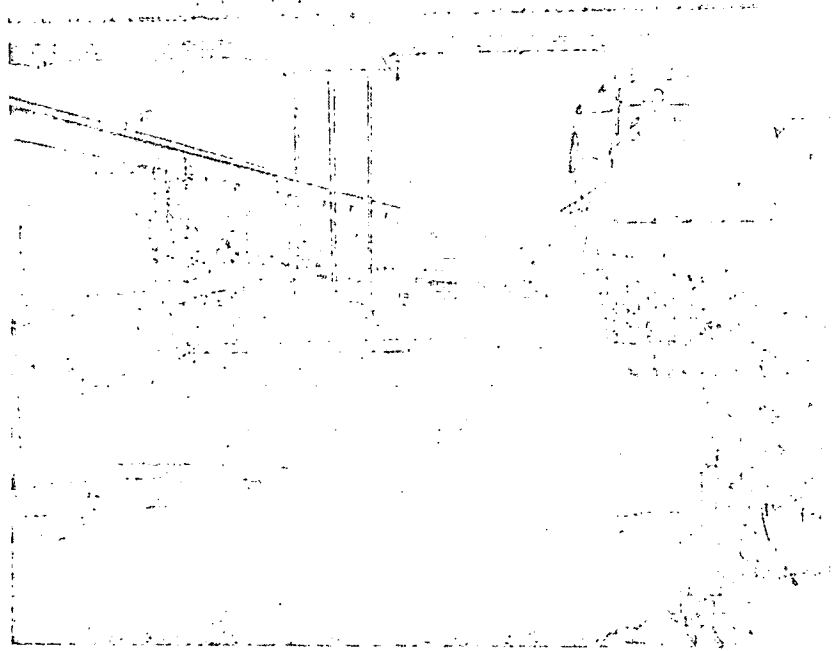
future investor will make a positive contribution to the creation of a trained work force in Papua New Guinea.

Mining and power are the other obvious fields in which Japanese technical skill can be highly valuable to Papua New Guinea.

Japanese investors will probably be keen to take part in the proposed \$300 million Ok Tedi copper projects in the Western District and the proposed \$1,000 million Purari River hydro-electric scheme and ancillary developments. The feasibility of the Purari scheme is currently being surveyed, with Japanese assistance.

The Japanese business community has displayed its faith in our future with a loan of \$12 million last year, raised wholly by the Industrial Bank of Japan.

Recently, a Japanese industrial development mission spent some time examining the potential for development in a number of fields. The future relationship between Papua New Guinea and Japan can be of



mutual benefit to both countries, if Japanese investors are aware of Papua New Guinean sensitivities and needs, as well as their own. My government will need to seek the co-

operation of the Japanese Government to ensure both that Japanese companies are aware of our conditions on investment, and that they fulfil these conditions.

WEDDING BOOM ECHOES IN THE FORESTS

If there is one thing most Pacific Islands have in quantities, apart from copra, it is timber. The demand for timber, or lumber, in Japan, has increased steadily each year in line with the growth of the economy. The annual increase rate between 1960 and 1970 was 6.1 per cent.

The climate surrounding the demand for timber has been undergoing a change in the last few years, because of changes in architectural styles and housing production methods, improvements in living standards and the development of various substitute materials.

Housing construction in recent years has shown a remarkable rise and is the focus of attention by various quarters as a growth industry, next only to those of automobiles and electrical home appliances. Under a five-year plan (1971-75) about 9.5 million housing units will be built. The target figure is far above the 6.7 million units of the previous five-year plan.

The high economic growth rate of Japan has raised the national income level rapidly. At the same time, it has helped to improve the mode of people's life and, through the modernisation of architectural styles, has promoted new construction materials, such as plywood, chips and synthetic wood. Other non-wood materials sought are light section steel, aluminium sash, plaster-board, cement materials and vinyl tiles.

New and substitute materials notwithstanding, many Japanese still want timber for their houses. The domestic supply of timber is severely restricted because of the need to protect resources. This has given a big fillip to the demand for imports. In five years between 1965 and 1970 the amount of imported timber rose from 26 per cent to 53 per cent of the total used.

The supply of domestic timber won't increase for years, so there is virtually an open field for imports.

The Japanese have shown increasing interest in investing in timber overseas. They have a strong hold on the Papua New Guinea timber industry. Several Pacific Islands territories have huge reserves of timber; others are developing their forests. In general, they are well situated to exploit a ready-made market.

The Japanese timber furniture business is also booming, putting further pressure on local timber. So there is also a market for suitable furniture timber. This demand is linked with an increase in the number of marriages and the desire of newlyweds to set up their own homes.

But furniture exporters should not expect the demand to continue "up and up". The wedding boom is expected to reach a limit about 1975, with a levelling-off in demand for houses and furniture. Furniture timber will still be required, but not at rapid growth rates.

BRUSH UP ON YOUR ETIQUETTE BECAUSE IT'S DIFFERENT DOING BUSINESS IN TOKYO

Doing business with the Japanese in their own land is something different. Differences can lead to misunderstandings, sometimes quite serious, even though allowances are made. A little study of local customs before making a business visit to Japan, can work wonders.

Don't feel insulted or that you are not wanted if a Japanese businessman, on greeting you, extends the palm of his hand outwards and then bends his fingers. To the European, and many others, that is the waving "good-bye".

Different meanings can be given to "yes" in Japan. To non-Japanese the simple words "yes" and "no" are direct opposites. A European could say, "You haven't brought your order book have you?", and if the person addressed did not have it the answer would be "no". But to the Japanese the appropriate answer would be "yes". That is to say, "Yes—what you say is correct, I have not brought my order book."

It is also important to remember that when a Japanese contact says "yes", for which his own word is "hai", that does not necessarily mean agreement with what was said. The Japanese word "hai" and its English translation may simply mean that the Japanese person understands what has been said.

A frequent complaint to Japanese

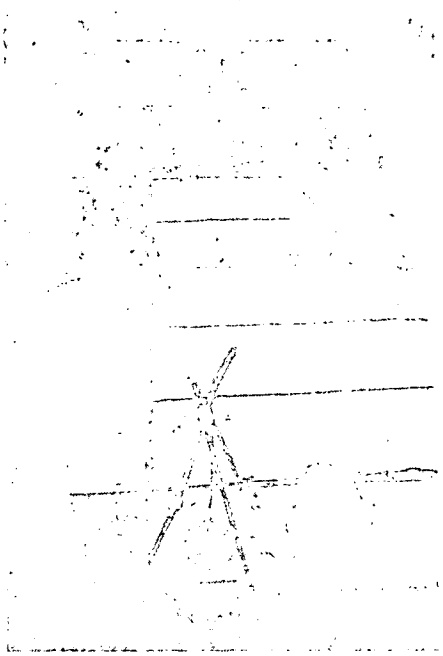
trade centres, is that Japanese companies do not answer letters. That complaint does not apply to major companies.

Failure to answer a letter does not necessarily mean lack of interest. There can be a number of reasons for slow response to the letter. For example, it might not give sufficient information. There may be a problem of communication. Small to medium-sized firms are not accustomed to direct contact with foreign business concerns, and may be at a loss to provide an answer in a foreign language.

Also, the process of making decisions is somewhat slower in Japan. The fact that time may be needed to reach a decision can be a reason for delay in answering letters.

Another reason is that most Japanese companies, especially those of small to medium size, are accustomed to talk to potential customers face to face. While that may not always be possible, it is advisable to seek opportunities of face-to-face contact rather than rely on correspondence. But in doing that it is well to remember the differences between the business customs of Japan, compared with other countries. An effort to understand those customs could prove rewarding.

The business card is important in



The elaborate Japanese tea ceremony with its ritual which goes back for centuries. During business transactions, innumerable cups of tea are drunk, but without the tea ceremony.—Photo: Japanese National Tourist Organisation.

Japan, probably more so than in some other countries, and this is essential for first contacts. The cards also have a useful function. They give the name, position and company of each person met. A file of such cards can be an important asset to anyone doing business in Japan.

The typical card for a visitor would have on one side the name of the individual, his company, the address of his company, and his position in it. The other should have a Japanese translation of the same details. Before handing it over make sure which is the top and which is the bottom of the translation. To hand a card over upside down will not make a good impression on Japanese business contacts.

If the caller is meeting a number of people he should not hand his cards round as if dealing from a pack. The exchange of cards in Japan is an important part of the introduction process. For that reason, they should be exchanged one at a time, and with some care.

In arranging a first meeting it is helpful if the way can be smoothed by a mutual contact, or through a diplomatic agency.

It is not necessary to copy Japanese behaviour standards in contacts. At the beginning and end of every meeting, Japanese men will bow very formally. Should the caller do this, or shake hands? Most Japanese busi-

MICRONESIAN DOOR OPENS FOR THE YEN

Now that strictures on foreign investment in Micronesia have been removed Japan can be expected to take a keen interest in the area. The Japanese held sway in Micronesia from 1914 till close to the end of World War II. Till recently the United Nations trusteeship agreement with the United States prohibited investment in Micronesia by any UN member, except the US.

Japanese businessmen are keen to get back to Micronesia. There is little doubt they will be welcomed, particularly by the older Micronesians who have nostalgic memories of the old days, and chiefly of the "better" things, when Japan was in control.

Micronesia vies with the southern islands of the Pacific as a tourist area, with a warm climate, clean water and white beaches. It has a number of good hotels, and now that the Japanese are "discovering" it as a tourist area, more hotels will go up quickly, backed by Japanese capital.

The territory was the scene of fierce battles during World War II. Japanese veterans are now returning to look at the old battlefields. Noting changes, they have taken word back to Japan about Micronesia's holiday possibilities.

Micronesia has a big advantage as a tourist area for the Japanese—its proximity to Japan. Although more and more Japanese are going further afield, to Europe and America, many of them still want their holidays closer to home, and this is to Micronesia's benefit. In a largely subsistence economy, a thriving tourist industry would generate a big cash flow and boost the finances of the territory.

Language pitfalls

Businessmen with experience in dealing with foreigners will shake hands. A good tip is to wait and see what the Japanese will do. A nod of the head or a slight bow is all that is necessary from the caller if bows are exchanged.

In business negotiations, the Japanese language should only be used if the non-Japanese is very experienced in it. The Japanese language has at least three levels of politeness to fit different relationships and situations.

Reaching a decision takes a great deal of time by western standards. But the logic of the process is that the decision that emerges has behind it the thought and backing of most of the responsible executives of the company. In the end it is a better decision than one made by a single executive which, though it may be quick, might have to be countermanded by unforeseen difficulties.

The essence of a decision is that it has to be clear and thoroughly researched. That is why non-Japanese businessmen, who expect results in a week or two, are disappointed.

Depending on the importance of

the matter concerned, negotiations may extend up to several months. The discussions may involve conferences with government officials, or with other companies, and premature announcement of the expected outcome may create pressures which would lead to a breakdown in the negotiations.

Where negotiations are of sufficient importance, the foreign businessman who cannot spare the time to remain in Japan should arrange some local representation.

MONEY IN HONEY

Come on, you Pacific Islands apiarists! In Japan, the demand for honey is increasing through changes in eating habits and for the sake of health. In line with this growth, honey imports are steadily rising.

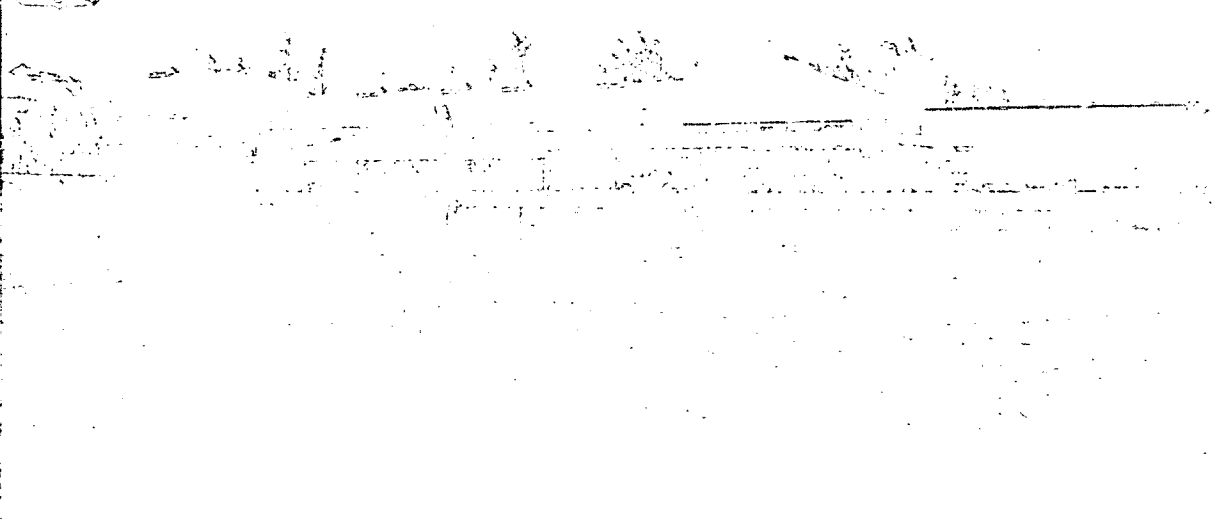
In 1972, consumption was estimated about 24,000 tons, or about 300 grams a person. Of course, the Pacific Islands would not be expected to supply that huge quantity, but even a small share would give a healthy lift to the overseas earnings of a small group of islands.

Entertaining is an important element in the conduct of business in Japan, perhaps more so than in other countries. The typical pattern is to entertain visitors at restaurants and nightclubs. The homes of even prosperous Japanese businessmen are seldom suited to entertaining. It is mainly for that reason that the Japanese businessman's wife does not play the same role in entertaining as in other countries.

For businessmen staying in Japan and thinking of entertaining, it is an acceptable compliment to invite both husband and wife of a Japanese family, but it should not be taken as an insult if the wife fails to appear.

Apart from restricted space in the home area, there is divided opinion in Japan about the extent to which the Japanese wife should take part in social activities. A dwindling number of conservatives still hold that the wife's place is in the home, and restricted to household affairs. It is quite proper for wives of visiting businessmen or officials to accompany their husbands when they are being entertained by their Japanese counterparts, provided an invitation has been extended. But it should not be regarded as unusual if no Japanese wives are present.

South Pacific Fishing Co., (N.M.) Pty. Ltd.
Espiritu Santo, New Hebrides



Tuna fishing base facilities:

Capacity: approx. 110 fishing boats
Cold storage: capacity 3,500 M/T
Shipway: 1 line available up to 450 D/W
 1 line available up to 100 D/W

Workshop: superior technology available
 for iron works and wood works
Supplies: tuna fishing baits, fishing gears,
 fuel oil and provisions

Slow trickle of goods is now a flood

The Japanese appliance and vehicle invasion of the Pacific Islands started slowly. The date cannot be fixed, but it was probably in the late 1950s, coinciding with an economic boom. Then names such as Datsun, National, Sony, Sanyo, Toyota (which Fiji people initially were inclined to confuse with their own island of Totoya), Seiko, Toshiba, Canon, Mazda and others started to become household words and known as something which could add to the quality of life.

For years about the only familiar Japanese name in a number of Pacific Islands was Banno—Banno Bros, who had been islands traders since before World War II.

There was some early suspicion about these Japanese goods, a throw-back to the days before World War II when almost any Japanese manufacture was regarded as shoddy. Current-day Japanese manufacturers soon showed that those "bad old days" were gone, that they were using the best of materials, that their technology was up to date and that they had an efficient labour force.

Initially there was only a trickle of Japanese goods: waiting lists were fairly common for Japanese household appliances and vehicles. When it became apparent that good quality articles were available at reasonable prices the floodgates opened.

Traders from most parts of the Pacific, particularly from areas which were actively encouraging the tourist industry, flocked to Japan, to buy or to seek agencies, or waited impatiently till Japanese representatives turned up. There was a sudden switch from traditional merchandising. In Suva, an Indian tailor who had a high reputation for workmanship, switched over to radios, tape recorders, portable television sets, binoculars and cheaper clothing. Shop windows became packed with appliances, and retailers enjoyed bonanzas when passenger liners visited the various islands.

Countries which went duty free on what they termed "luxury" goods, soon reaped a benefit. Governments may have suffered initial loss of customs revenue, but increased sales and increased profits of retailers soon offset this. A percentage of rising incomes found its way into government coffers to help boost economies as

government expenditure subsequently increased.

The term "luxury" was something of a misnomer for generally it was applied to transistor radios, tape recorders, binoculars, wristwatches and similar items. Many of these before the duty free days had been out of reach of most of the people in the under-developed territories.

Although local residents benefit from duty free goods, the system is one which, world-wide, is beamed at tourists. Duty free shopping is a bait for tourists, most of whom look forward to paying say \$20 or \$30 for a transistor radio in some city or town in the islands, than paying \$50 and more for similar articles at home.

Most Japanese appliances exported to the Pacific Islands and sold duty free eventually find their way into Australian and New Zealand homes.

Fishing ranchers

The Taiyo Fishing Co, which operates the BSIP tuna fishing venture, with the BSIP Government as a partner, recently announced a plan to operate a beef cattle ranch, covering 10,000 hectares in the Solomons. The aim is to raise between 10,000 and 20,000 head of cattle.

As the Solomons are at present designated as a foot-and-mouth disease area, the company intends to process and can the beef in the initial stages. It will deal in raw beef after the quarantine rules are abolished.

The Taiyo group also has plans to start tourism development projects in the BSIP.

These girls on Tarawa in the Gilberts are astride a Japanese-made motor cycle, of which there are probably more, per head of population, than almost anywhere else.

International travellers pick up these items duty free at some airports.

The Japanese car manufacturers cut deep swathes into the market share of established suppliers to the Pacific Islands, but it was not easy. The Japanese industry had to overcome initial suspicion on the part of buyers. One of the first cars sold in the Pacific Islands in the late 50s and early 60s was the Datsun, which looked as though it had come out of the Austin factory, so similar were its lines to some of the Austin models of those years.

But once they gained a foothold the Japanese manufacturer showed he was making a good product, which could stand up to the primitive roads in many islands, as well as being comfortable and well-finished.

Again Islands traders clamoured for agencies. It was not long before Japanese cars were as familiar on the roads as those from traditional suppliers.

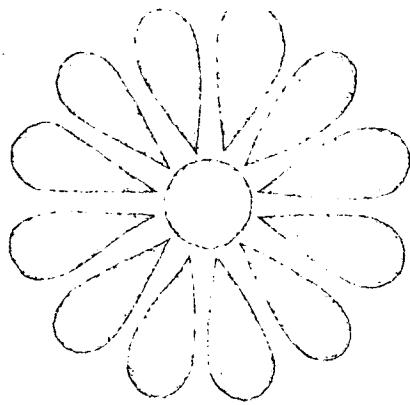
Japanese motor-cycles also comprise a part of Japan's export trade to the islands. These cycles, apart from private use, are also used by traffic police.

Heavier industrial vehicles are also exported from Japan, and these offer keen competition to the United States, Britain and Australia.

The boom in appliances and vehicles was accompanied by regular shipping services from Japan to the Islands.

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The Pacific becomes a pantry for Japan

Natural phenomena in floods drought, prolonged rains in many parts of the world since 1971 have upset the balance of food supplies. Changes in ocean currents and pollution have had their effect on marine resources in several parts of the world. Japan has been hit by drought, pollution and short monsoon seasons which reduced vital rice crops and the fishing area round the islands.

The food bowls of the South Pacific, and there are many of them, if used properly could be exploited to take advantage of Japan's shortfalls in various commodities. It often happens that disaster in one area is balanced by good fortune for another. Pacific Islands, particularly those of volcanic origin, are capable of producing a wide variety of foodstuffs.

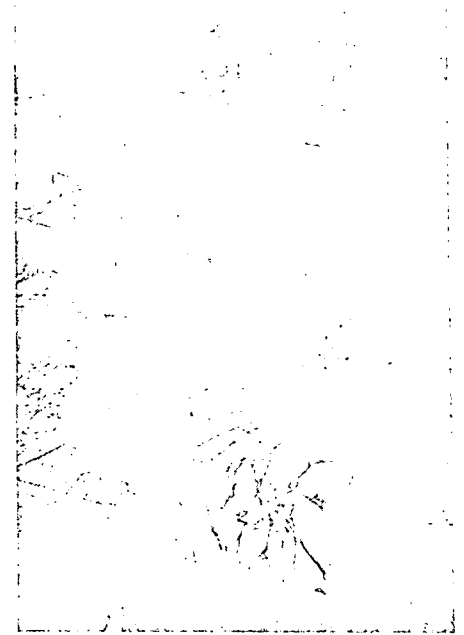
Only about 18 per cent of Japan is given over to agriculture. With a population of upwards of 100 million to feed, there is little margin to take care of bad seasons, particularly of rice. About 60 per cent of the agricultural land is in rice paddies. Japan

is turning to other food, but she has to import a lot of it, for she does not have the space to grow all she needs.

Japan's food tastes and diet have grown with the economy and the rapid rise in personal incomes. As these tastes develop, the Japanese diet diversifies further, making her more and more reliant on imports. It has been estimated that by 1982 Japan will be eating about 2.5 times as much meat as now. The Pacific Islands could come into the picture with meat and poultry.

Fish plays an important part in the Japanese diet. A number of Pacific Islands have direct evidence of this for they are bases for Japanese fishing fleets and canneries. The Japanese eat more fish than anyone else. The 1970 average was 32 kg per capita a year, about four times the global average.

The Japanese fishing industry made a total haul of 9.9 million tons in 1971. The 1972 catch was more than 10 million tons, or about 15 per cent



Deep-frozen tuna, which was caught near the Solomon Islands where the Japanese have established the large Taiyo fish factory and shore base at Tulagi, is being unloaded from Kashimaru No 21, berthed at Tsukiji wharf. Nearly 1,200 head of tuna were in the holds.

of the global catch. In 10 years to the end of 1972, the Japanese fishing industry's haul increased by an estimated 3 million tons, most of it by ocean fishing.

Yet Japan still has to import fish. In 1972 she imported 190,000 million yen worth. She is among the "big three" fish importers—the other two are the US and the UK. There is evidence that the pollack fishing grounds around Japan are almost fished out, and rehabilitation will be a slow process.

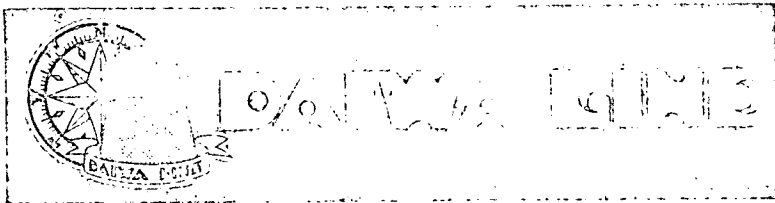
Apart from the depletion of marine resources, there are two other formidable pressures on Japan's fish intake—a recent tendency for nations, especially developing nations to become increasingly protective of sea resources in their area, and worsening pollution in and around Japan.

Some nations, at a 1973 UN conference about the peaceful use of the seabed and ocean floor, sought a 12-mile limit to territorial waters, after previously insisting on 200 miles, and for exclusive areas 200 miles offshore. With the exception of migratory fish, practically all fish gather in coastal waters and on continental shelves to

Left, men and women unload yellow-tails which are sent to fishery markets all over the country by refrigerated trucks. This scene was at the Port of Mitohama in the Shizuoke Prefecture.



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 PAGO PAGO: Kneubuhl Maritime Services Corp.
 NUKUALOFA: Pacific Navigation Co., Ltd.
 SUVA: Burns Philp (South Sea) Co., Ltd.
 LAUTOKA: Burns Philp (South Sea) Co., Ltd.
 NOUMEA: Agence Maritime et Aeriennne Caledonienne.
 SANTO: Burns Philp (New Hebrides) Ltd.
 VILA: Burns Philp (New Hebrides) Ltd.
 HONIARA: British Solomons Trading Company Ltd.
 PAPEETE: Societe Acconage Tahitien.
 HONG KONG: Ike Maritime Co., Ltd.
 SINGAPORE: The Borneo Company (Singapore) Ltd.
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JAPAN'S PANTRY

feed on plankton generated there. Those waters would be included in a 200-mile limit to territorial waters and become inaccessible to foreign fishing boats.

Japan does not expect that developing nations, of which there are several in the Pacific, would all at once shut out the fishing boats of advanced nations by extension of territorial waters, but they could well demand tolls. As an alternative to tolls, advanced nations might conceivably start joint venture operations, with local interests.

In fact, this has already started in the BSIP, and there is some local capital in the Pacific Fishing Corp Ltd, based at Levuka. This is a logical move as fish is an important source of protein for developing nations suffering from low nutrition standards. Japan and other major fishing nations cannot take for granted unlimited catches in open international seas, and Japan recognises that.

Pollution round Japan is of such a magnitude that recent surveys showed that more than 20 per cent of the fish caught in eight sea and river zones was contaminated by a particular type of pollution. The rate of pollution in these areas has risen at an alarming rate in recent years, endangering Japan's chief source of protein and its most enjoyed food.

Publication of the results of the surveys was a severe shock, not only to the fishing industry, but to the public. There was an immediate decline in the demand for fish throughout Japan—as high as 20 per cent to 30 per cent in the Tokyo area. This may not be a long-term trend, bearing in mind the strong Japanese preference for fish. But it does give an incentive for countries in the pollution free areas of the Pacific to look closely at developing their marine resources.

A fish cannery in which the Japanese have a substantial interest, was opened in the BSIP on August 25, 1973. It is operated by Solomon Taiyo Ltd. The cannery started slowly, producing 50 cases a day. By November production had risen to 200 cases a day. It was expected to rise to 1,000 cases a day when staff had been trained. Canned fish will then be exported, as well as sold locally.

The Taiyo Company in Japan will be the distributing agent for some European countries, mainly England, Germany and Switzerland. Solomon

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Taiyo will handle local distribution and distribution to other Pacific Islands.

The company has branched out from fish, and late last year did a trial run with papaw. An extension into fruit canning would enable the company to keep the factory open when no skipjack were caught in local waters.

Paradoxically, although Japan is importing a lot of fish, vast quantities still get into Japan's export trade, as a walk round almost any supermarket will reveal.

The general shortage of fish, plus the rise in the standard of living, have caused the Japanese to look away from the traditional foods. They find they like beef, hence a big demand for Australian beef, and rising prices on the Australian domestic market. They also show a liking for baked goods, sending up the demand for wheat and flour. The Japanese also export quality biscuits, and look overseas for most of the raw materials.

Beef cattle is very much a Cinderella industry in the Pacific Islands. The attitude has been to run a few head of cattle on a farm or an estate. Any sort of cattle was acceptable—beef or dairy. If quality beef was required it had to come in frozen, from Australia or New Zealand.

An exception is the BSIP, which is scientifically building up good beef herds. The Japanese are taking an active interest in this.

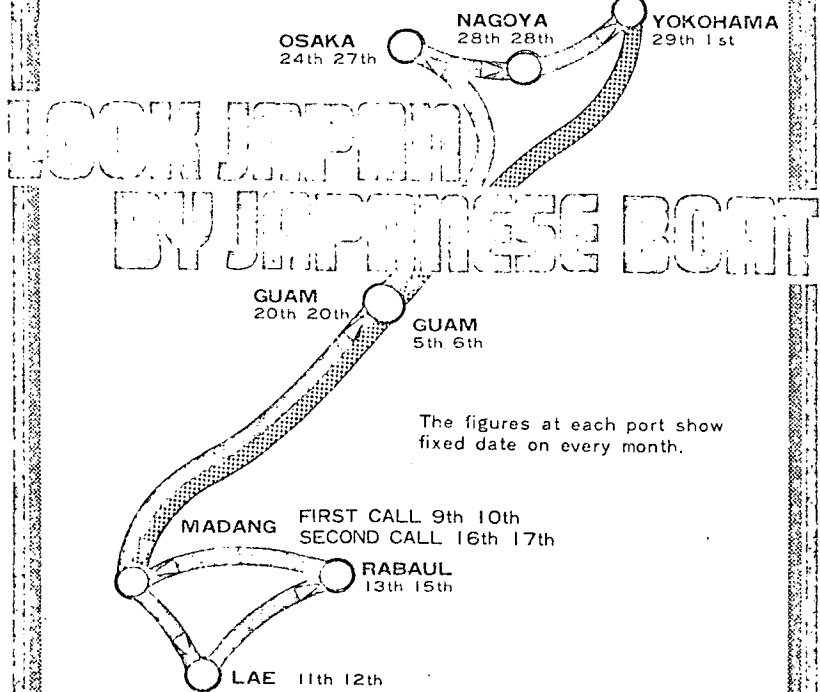
Many parts of the Pacific are suitable for beef cattle, and, fortunately, there is increasing awareness of this. Some recently evolved breeds do well in tropical areas. Copra planters are coming to realise that good cattle run under trees are an added bonus. The cattle can keep an estate clean, and can be sold off when in good market condition.

There is little doubt that Japan would be interested in taking any surplus beef. Enterprise, capital and suitable land are all that are needed. Doubtless, too, the Japanese would probably be prepared to give financial assistance for potentially-sound schemes.

⊙ Japanese investors have had a couple of "nibbles" in Western Samoa. Japanese timber interests in 1973 took over the second largest timber milling company in Western Samoa, the New Samoa Industry group. A Japanese company also owns a shoe manufacturing and repair shop in Western Samoa.

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A change in Japan's export philosophy

From a Tokyo correspondent

During the 1960s, Japan's exports showed the highest rate of growth of the major developed nations. Products such as machinery and equipment, steel, non-ferrous metals and chemical products showed export growth rates of more than 20 per cent. Which is why the composition of Japan's exports during this period shifted rapidly towards heavy and chemical industries.

The main reason Japan was able to increase its exports at such a rapid pace was the high level of investment in capital equipment for manufacturing, which allowed her to attain a high degree of competitive power both in terms of price and quality.

While Japan has increased her ability to compete on a non-price basis, that is on the basis of quality, much of her competitiveness has rested on ability to compete in price. Japan's ability to compete on quality is still inferior to that of other advanced nations.

In spite of this, it will be necessary for Japan, so that she can place more emphasis on welfare development, to direct resources into building up social capital. For this reason, rapid investment and expansion of capacity in export industries primarily is no longer appropriate. In addition, excessive reliance on price competitiveness has the undesirable effect of creating friction in the markets of Japan's trading partners.

Because of recent monetary crises and currency realignments, it is clearly impossible for Japan to rely simply on price competition on a long-term basis. Relative superiority on a price and cost basis can be cancelled out by monetary adjustments.

For example, the price competitiveness of Japan's products decreased considerably after a currency float in February, 1973. Given these conditions in expanding exports in harmony and in cooperation with trading partners, it will be necessary to shift the emphasis from increasing scale of exports and price competitiveness to emphasis on quality.

When it is considered that Japan's export market is no longer the unlimited frontier that it once was and that it is impossible to expand exports in an unlimited way, simply if capacity is available, it appears appropriate to break out of the export pattern of the past and estab-

lish a pattern more appropriate to the present.

To satisfy both domestic and international requirements and promote harmonious expansion of Japan's exports, it will be necessary to shift the emphasis in export trade from expansion of volume to expansion of exports of greater technical excellence and which are less dependent on price competition for success. This type of improvement in Japan's export structure is important.

Another vital requirement is for Japan to shift its industrial structure from the current high resource usage to one which requires less natural resources.

The industrial structure of Japan requires more in the way of resources than does industry in the United States and West Germany. For export industries which make a big demand on raw materials, consideration will have to be given to setting up industrial plants overseas.

The structure of Japan's export

trade shows a high degree of bias towards a few regions. This is potentially dangerous because it creates needless fear and friction about Japanese exports to those markets. Therefore, Japan will need to diversify more in her export markets and establish a closer relationship with a wide variety of regions.

Rapid increases in exports of particular products to particular regions could upset and destroy market conditions in nations with which Japan trades. And because of the world fuel position, with countries and territories in the Pacific trying to cut down on consumption, heavy machinery and motor vehicles are not likely to be required in large numbers.

It is necessary for Japan to promote orderly marketing of her products, not only to prevent rapid increases of specific products into specific markets, but to make sure that full consideration is given to conditions in countries with which Japan trades.

COPPER HAS IT OVER RADIOS

Japan has an adverse trade balance with the Pacific Islands. This may seem odd because of the huge exports of appliances and vehicles from Japan to the Pacific Islands. Nickel from New Caledonia and copper from Bougainville are the chief factors in the adverse balance. As Bougainville exports more copper to Japan there will be an even greater difference in the value between exports and imports. The balance swung the way of the Pacific Islands in 1972.

The composition of exports in 1972, was: Foodstuffs, 14.1 per cent; light industry products, 16.6 per cent; chemical and heavy industry products, 66.5 per cent (includes automobiles, but excludes components). Canned mackerel, radio receivers and tape recorders followed automobiles.

Imports in 1972 included: nickel ore, from New Caledonia, \$56.7 million (down 45.7 per cent on 1972); timber, \$14.1 million (down 8.8 per cent); copper ore from Bougainville, \$49.6 million. Imports of copra and phosphate ore were below the levels of 1971.

Statistics of Japan's trade with various Pacific Islands in 1971 and 1972, with the value shown in US dollars, are:

	Exports \$'000		Imports \$'000	
	1971	1972	1971	1972
Papua New Guinea	39,924	37,689	17,117	66,095
Western Samoa	2,019	2,302	131	261
New Hebrides	2,726	3,132	2,389	1,599
Fiji	19,511	25,309	2,088	2,815
Solomon Islands	2,240	1,460	7,202	5,630
Nauru	286	131	4,818	2,547
New Caledonia	3,808	3,405	105,478	58,468
French Polynesia	1,870	3,772	12	53
Guam	29,171	38,735	2,937	1,794
American Samoa	5,311	6,521	408	275
Marianas, Marshalls, Carolines ..	10,078	11,632	931	678

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Visitors to Japan may take advantage of the home visit system, which has been officially adopted. They stay in a Japanese home, living Japanese style. Most home visits are from one to three days. The following story is by an Australian girl who made a home visit sponsored by Lions International.

○ Mr Kiyoshi Kadoya and his family outside their home in Kobe.

Life with 'my family' in Kobe

By Kay Thomas, an 18-year-old student.

A long time ago an eminent author wrote: "East is East and West is West and never the twain shall meet". When he wrote that, it was probably true. But today east and west are meeting—and with great pleasure on both sides, too, because both sides are trying.

The lowering of costs of travel to the Far East from Australia, and the growing desire of young Australians to travel abroad, have brought Japan within the grasp of large numbers of Australians.

Also, of course, Japanese people are visiting Australia. It is a big marketplace for Japanese goods. And to sell goods in a marketplace, one must have knowledge of the potential customers in that marketplace—and, more importantly, one must have the goodwill of those potential customers.

So it is that a great change has come about in the attitudes of westerners (Australians) towards easterners (Japanese) and vice versa. In other words, the twain are meeting today—and they are meeting to their mutual advantage.

A number of social groups in Australia with international affiliations have recognised the great need for people of east and west, the great need for people of vastly different social and economic outlooks, to get together to rationalise the differences that used to exist between east and west.

My participation in the process of east meeting west was made possible by the Lions International Youth Exchange Programme—YEP—and I can say that my recent five-week visit to Japan under the auspices

of this programme has been the most educational and emotional experience I have ever had.

The keystone of this experience was that a Japanese member of Lions International took me into his family. That family treated me as a member of the family. That experience is one I shall treasure always.

I was one of a group of 161 young Australians sponsored by Lions International who dropped down gently at Tokyo's Haneda airport on New Year's Day in a Qantas 707. A day in Tokyo, and then off to Kobe, a maritime city, where my Japanese family awaited me.

I wondered what kind of people they would be. I had received a letter from them which enclosed a coloured photograph of the whole family, taken outside an impressive, walled gateway. I thought it must have been taken on some national day at some shrine or other.

No. It was the home of Kiyoshi Kadoya. He is an importer-exporter of some note in Kobe, mostly handling agar-agar, a gelatine-like substance derived from seaweed. It is used by researchers to cultivate bacteria, by ice cream manufacturers, by cosmetic manufacturers, and by many other industries. Mr Kadoya was my *otosan*—my father—for my next five weeks in Japan.

Otosan, according to comparison with other Japanese men, is enlightened. This is probably because he has visited South America, Europe and Spain and seen how westerners treat their families. He speaks Spanish fairly fluently and has a smattering of English. (Incidentally, he loves flamenco music and flamenco danc-

ing!) He does not, for instance, always precede his wife upstairs. He does not leave her to get out of a car under her own steam. He takes her arm at times, and he also helps carry the baggage.

By comparison with other Japanese, and judged by Australian standards, Mr Kadoya is well off. He has a two-storey stone and wood home in Kobe, and a stone and wood "summer house" on the other side of Mount Rokko, which rises at the back of Kobe. A housekeeper is in permanent residence at the Kadoya summer home.

The Kadoya household comprises *Obasan* (grandmother, and Mr Kadoya's mother), *Okasan* (Mrs Kadoya), four daughters (Tomomi, 24, Kazumi, 21, Naomi, 19 and Akemi, 17) and Chuan, a most versatile housemaid-cum-cook-cum-nanny-cum-shopper-cum-friend and adviser. Chuan eats at the table with the rest of the family. This is most unusual, as is the fact that Otosan allows Okasan to eat at his table, too!

Tomomi is being "prepared for marriage". She's having lessons in *ikebana* (flower arrangement), Japanese dancing, the tea ceremony, Japanese and western dressmaking, playing the *koto* (the Japanese stringed instrument) but she didn't seem to be seriously learning how to cook.

Kazumi and Naomi go to University and Akemi goes to senior high school. Kazumi and Naomi are learning Japanese dancing and foreign languages. Akemi is learning the piano.

Chopsticks have always been a problem for westerners. To see Japan-

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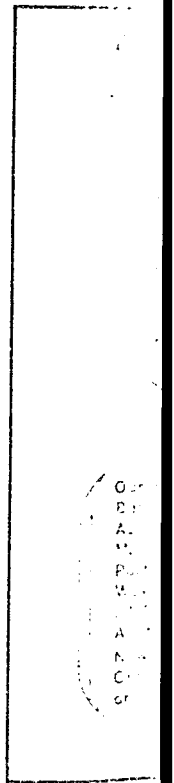
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POLITE SLURPING

ese eating with chopsticks from a bowl is really an audio-visual experience, for apart from the speed with which they eat, and the way they get their mouths so close to the bowl, the polite slurping effects make it quite noisy, too.

A typical daily menu in my home was:

BREAKFAST: Soft boiled egg, toast, salad, rice cake, hot milk or Japanese tea.

LUNCH: Boiled rice, curry, noodles, occasionally Kentucky Fried Chicken, or fried ham, or dry baked fish, Japanese tea.

DINNER: Boiled rice, fish (raw fish is a specialty), soup, pork cutlets are popular, Japanese cake or perhaps a sweetmeat from a temple, fruit cake, fruit and Japanese tea.

The traditional sukiyaki and tempura bob up in the menu frequently, but mainly when Otosan directs! When his favourite dishes were on, he would move from the head of the table to the centre so that he could be nearer to the bowl, and help himself more easily!

Most Japanese always sleep on the floor, on a thin mattress placed on a *tatami mat*. These mats are looked after very carefully, because they are both difficult and expensive to replace. To enter any Japanese home one must take off one's shoes and put on slippers. But to enter a room with *tatami mats*, the slippers have to come off, too. The Kadoya family has electric blankets and hot water bottles. This, I gather, was unusual.

Occasionally Japanese sleep in western-style beds. Obasan (grandmother) now sleeps in a bed because her back is troublesome. I was privileged. I slept in a bed every night except two, when I stayed in a Japanese hotel in Yumura and in a hotel near Biwa Lake.

Japanese toilet facilities are inclined to be rather horrifying to westerners, who should never use Japanese public toilets, and who should always carry toilet paper. The smell can be overpowering. Some streets have open sewers.

For a nation of people so fastidious about personal cleanliness, I could not understand how they could put up with their toilets. I was fortunate. The Kadoya household has one western-style toilet and two Japan-

ese style (one flushes and one doesn't). The western one is upstairs.

All Japanese families are very loving families—and the Kadoya family particularly so. Japanese children are spoiled beyond belief. They are given everything they ask for, but they are all spotlessly clean. In return, the Japanese child has tremendous respect for parents and grandparents.

Japanese hospitality is fabulous. Even if being hospitable means ignoring tradition or custom, hospitality comes first.

Love was paramount in my Japanese home, and this was another instance of Kiyoshi Kadoya's "liberationist" views. He showed his affection for his mother, wife and daughters, even to patting the girls on the head if they pleased him. His girls could playfully push or smack him. This, I was told, was most unusual.

Well, if east can't meet west politically, at the people level east and west can. This I found in my five weeks in Japan. I could not have (outside my own) a family that made me more welcome in their home, that was kind, considerate—and above all, loving—than my new, second family which lives in Kobe.

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There's a market for fruit but it must be good

Japan in 1974 expects to import 924,000 tons of bananas. And on present indications there will be none from Fiji, Western Samoa or Tonga, which grow possibly the best bananas in the world. Yet Japan imports bananas from further afield than those three countries.

In 1971, when Japan imported bananas worth SUS159 million, 43 per cent came from Ecuador, 30 per cent from Taiwan, 19 per cent from the Philippines, 7 per cent from Costa Rica and 1 per cent from Panama. If bananas will carry all the way to Japan from the western coastal area of Central America, they should carry equally as well from the South Pacific.

All it needs are proper growing and packing techniques and transport, none an insurmountable difficulty. There have been abortive attempts in the past to send bananas from that area to Japan. Fiji, about 12 years ago, without a proper research of a potential market, sent two trial shipments. They were a failure.

Later, they found the bananas did not match the foibles of the Japanese housewife. The skins were inclined to spot; the housewife wanted a banana with a clean skin, and Taiwan was able to supply that. It did not matter if the Fiji banana was a better quality product, in spite of the spots. Provided the banana is used quickly enough after it ripens a spotty skin does not impair the quality of a Fiji banana but that is not good enough. The banana has to be offered for sale with a clean skin.

The importance Japan attaches to bananas is shown by long-term agreements Japan has entered into with suppliers. Most of the supplying countries are in hurricane or typhoon belts. So if one country loses its crop another is able to fill the demand. It is a risky business, but profitable.

This is what the Japanese want in banana imports:

Quality—There is not much difference in quality by producer countries at present supplying Japan. But the Japanese prefer the taste of bananas from Taiwan, the Philippines

and Ecuador in that order. To get into the market a new supplier would obviously have to "sell" the taste of his bananas.

Packing—Except for Ecuador, cardboard boxes are used. Producer countries are now replacing bags made of bamboo, which have long been used. Cardboard boxes cause little damage to bananas and assure uniform quality. Ecuador uses polyethylene for vacuum packing.

An important factor in determining banana price is peel colour, which is closely related to peel thickness. Most of the Taiwan, Ecuador and Philippines bananas belong to a species which has a thicker peel than any other species. It has the merit of a beautiful colour finish, and the disadvantage of being vulnerable to cold weather, which turns it brown. It is also more perishable.

While bananas offer the best potential, the Pacific Islands could also grow a lot of other fruit, and vegetables, for Japan. Rising incomes have lifted the demand for fresh fruit. It is regarded as an essential food item, rather than a luxury.

The Japanese will take all the citrus fruit they can get, and here is where the Cook Islands could come into the picture. Their main market, New Zealand, is limited. In Japan, with its 100 million plus population, they could probably sell all they could grow, provided they maintain quality.

Japan restricts canned pineapples, but import of fresh pineapples is unrestricted. There are times in the Pacific Islands when there are gluts of pineapples.

Pacific Islands, especially those of volcanic origin are natural vegetable bowls. The Japanese market for fresh vegetables might not be as lucrative as the banana market, but in 1971 vegetable imports were worth about SUS11.5 million, and that is a fair-sized market to share.

A banana grove in Fiji, which in the 1960s had hopes of establishing a large market for the fruit in Japan. Hopes were dashed, however, by a lack of shipping and, through hurricanes and disease, a lack of good-quality bananas.

Onions are required more than anything else. The Japanese grow their own onions from April to October. Onions held in storage go on the market from November to April. The supply and demand situation is unsteady from February to April, and during those months Japan looks to Taiwan for onions. She also brings in onions from Australia, New Zealand and the US, and in one bad year when domestic prices rose very high, she took onions from wherever she could.

Fresh and frozen fruit and vegetables, sent by sea or air, offer a range of smaller specialties for seasonal markets. Many of the Pacific Islands are well able to meet such a demand, provided the people are prepared to work. The fruit juice markets are wide open to areas of the South Pacific suitable for citrus growing. Rotuma and the Cook Islands are two.

Papaws, avocado pears and guava grow wild in a number of groups. Surely the potential of the Japanese market represents a challenge to develop methods of processing these delectable fruits which could become as popular in Japan as New Zealand apple juice.

A joint South Pacific Commission/United Nations Development programme research project is showing something of Island production and marketing prospects. Just as Australian efforts in Tokyo have helped to put New Guinea tea and coffee before Japanese buyers, so could similar promotions on behalf of the Islanders.