

NEW GUINEA RESEARCH

BULLETIN

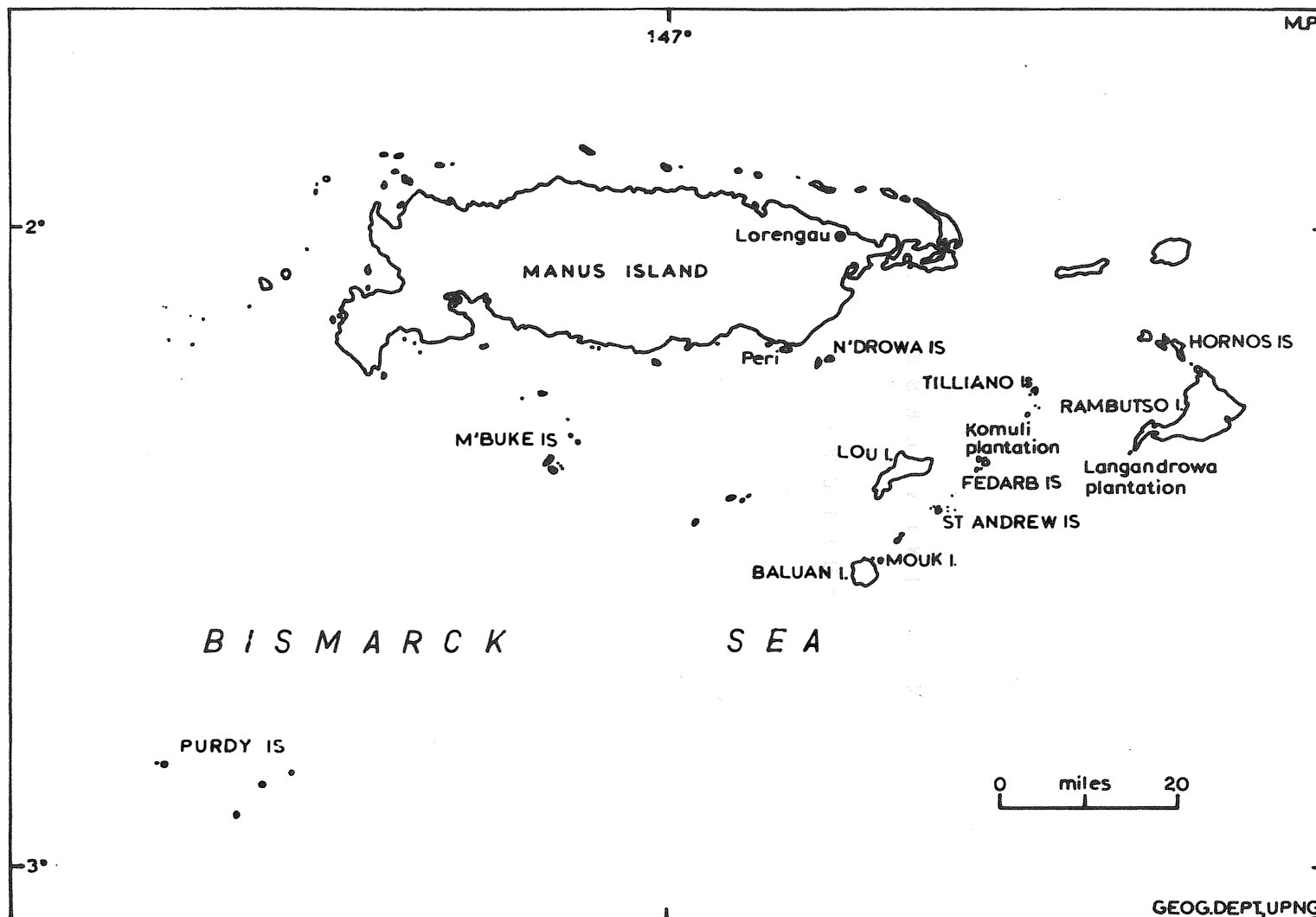


Figure 1. Admiralty Islands, New Guinea

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LANGANDROWA AND M'BUKE,
CORPORATE INDIGENOUS PLANTATIONS

A.M. McGregor

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Foreword

This study of Langandrowa and M'buke plantations contains two themes which are of relevance to many Pacific Islands. The first is the resettlement of people from islands which are too isolated, infertile or overpopulated on lands which offer them greater potential for economic or other advantage. In both cases studied by McGregor, no major migration was required and the settlers took over land formerly farmed by foreign planters.

The second theme concerns the forms of organisation such resettlement might take. One of the examples in this study was organised as a formal co-operative, the other as a very informal community enterprise which the people concerned refer to as a 'business'. Its organisation, nevertheless, differs substantially from that of expatriate commercial enterprises, from strictly communal (for example, Kibbutz-type) organisations, and from traditional precedents. It appears to be a tentative and uncertain, exploratory attempt which shows similarities in particular aspects with all three. It is an amalgam of the limited skills and precedents available to the community and, whatever the eventual outcome of the enterprise, is undoubtedly an important learning experience.

One feature which emerges from these studies, and from many others, is that different forms of organisation may best suit different stages of the resettlement programme. This is seldom provided for in practice - both the settlers and the government or other agency usually plan for a particular form from the beginning. Obviously any plan will differ with the degree of homogeneity of the settlers, the crop produced, and various other factors. Nevertheless, it seems that a high degree of centralisation may be desirable in the early years, with a steady rate of decentralisation as the major infrastructure is developed and capital assets acquired, land cleared and planted, homes built, social and psychological security in the new environment achieved, differentiation in skills increased, and interests of individual settlers widened. These are processes which take many years, perhaps even a generation or more.

Resettlement usually involves going onto someone else's land; the M'buke case reported in McGregor's study is an exception. Sometimes initial permission is difficult to obtain, but the problem of maintaining that permission is usually overlooked in the first place, and is much the more difficult problem in the long run. Any land title is secure in the legal sense only as long as the law is enforced and not

changed, and in the practical sense only insofar as it is respected by others. Both problems have been widespread in resettlement in the Pacific. A resettled community, then, needs a strong patron. Colonial governments do not necessarily last long enough to have the resettled community accepted as the rightful landowners or occupiers.

The most effective resettlements seem to have been those in which the settlers had no choice - where some calamity or force beyond their control gave them no option but to go, and to stay in their new location.¹ Obviously, the greater the advantages of the new environment over the old, the more likely people are to settle happily; but it is clear that this relative advantage does not have to be so much real as perceived. This is why people resettled compulsorily (or what they later consider to have been compulsorily) by governments have seldom been happy, even when they are materially much better off or have the potential resources to be much better off.² In such cases where an opportunity to return exists, many people hanker after it, even when by material criteria they would be better off where they are. This greatly hinders the process of harmonious resettlement and leads to serious tensions in the resettled community.³

The two styles of leadership described in McGregor's study differ markedly from each other, even though the Mouk and M'buke people have the same culture. The more democratic one appears at this stage to be the less effective. Every resettlement depends on effective leadership. Sometimes this comes from within the group (as in both these studies),

¹ For example, the resettlement of Gilbertese in the Phoenix Islands (Maude 1968:315-42) and the Solomons (Knudson 1964 and Stuart 1968), and of Kapingamarangi people on Ponape in the Caroline Islands (Lieber 1968), all due to serious overpopulation and acute shortage of resources; and the resettlement near Vila in the New Hebrides of the refugees from a volcanic eruption (Tonkinson 1968).

² For example, the resettlement of Bikini people on Kili (Kiste 1968) and Ocean Islanders on Rambi (Silverman 1971). Among those who moved on their own initiative are Ellice Islanders from Vaitupu to Kioa (White 1965) and Tongans to Fiji at Vanua Balave (A.P. and P.J. Lessin 1971). The Kioa resettlement was failing and the people planning to return to Vaitupu when the initiator of it, Neli Lifuka, gave up his paid employment elsewhere and devoted the rest of his life to establishing a successful settlement in the new environment. The fact that he had been responsible for the original decision was perhaps the main factor in its survival.

³ A partial exception is the Tikopia resettlement in the Russell Islands (Larson 1966), which seems to be an example of close and effective co-operation between the people and government, and which has continuing links to the home island.

and sometimes from a religious leader or government official in association with local leaders.¹ Internal leadership is usually helped by external hostility or lack of acceptance, and for this reason the early need for internal cohesion is at times in conflict with the longer term need to integrate with the surrounding population.

Little research has been undertaken on the form of organisation which has been associated with highest productivity in resettled communities in the Pacific. Perhaps the clearest point is that almost all resettlements have been vastly more expensive than even the most generous estimates have predicted. Secondly, the productivity of the resettled farmers has in all cases known to me been much lower than they, and the governments who supported them, hoped for. Thirdly, resettlement of the new community has taken much longer than has been expected. Resettlement is a slow process and an expensive one.

If a set of traditional practices (for example, those relating to farming methods) is going to be changed, the time of resettlement is an appropriate moment. Nevertheless, the time required is still considerable. The transition from subsistence farming to the structured discipline of industrial employment is much easier than that from subsistence farming to fully commercial farming. Much greater changes are needed in the shift to commercial agriculture, though this is often not apparent to either the resettled community or to others; yet the supporting structure to facilitate these changes is very much weaker.

Both communities studied by McGregor are materially much better off as a result of the resettlement than they were previously, but neither one has yet achieved anything like its full production potential. Nor is this likely to happen in the short run. The ten-year intensive studies of resettlement in the Pacific undertaken under the aegis of Professor Homer Barnett at the University of Oregon should soon be complete, and many important findings on leadership and social organisation will then emerge. But there have been fewer studies which focus primarily on productivity, as McGregor's does, and it is to be hoped that this Bulletin will contribute to wider comparative studies which will provide a strong theoretical basis to aid the practical planning of future resettlements in the Pacific Islands.

R.G. Crocombe
Suva
May 1971

¹ For example, van Rijswijck (1966 and 1967).

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Preface

In 1963 Dr R.G. Crocombe carried out a study of a plantation owned by a co-operative and worked by it on a strictly co-operative basis (Crocombe 1965). This study was part of a broader investigation into the productivity of cash crops under varying conditions of land tenure and work organisation. In 1963 the M'buke experiment had been functioning for only two years, and Dr Crocombe hoped that follow-up research would be undertaken and that comparative studies of other co-operative ventures would also be made. The present Bulletin presents the results of one such follow-up study. It examines M'buke and one other corporate indigenous copra plantation in the Manus District of Papua New Guinea, and points out some of the social, historical and economic problems of adopting a corporate organisation in indigenous cash cropping enterprises. An understanding of these problems is of value at the present time when Papua New Guineans are increasingly likely to take over expatriate plantations. Present conditions of increasing costs, falling export prices and political uncertainty have caused many European planters to place their plantations on the market. Considerable uncertainty exists as to the most appropriate forms of economic organisation which would enable Papua New Guineans to invest in and operate such enterprises.

The two communities which run the plantations belong to the same ethnic, cultural and linguistic group known as the Manus or Salt Water people, who trace their origin to the village of Peri on the south coast of Manus. Traditionally Salt Water people built their houses over the sea and made their livelihood solely through fishing and trading. Through the presence of the United States military base on Manus Island during World War II and the post-war social, economic and political reform movement known as the Paliau Movement, both communities have passed through very rapid cultural change. Both plantations are managed and worked in a communal fashion, but there are important differences between them in management, land tenure, business organisation and recent history.

Since I undertook this study there have been further changes in the organisation of M'buke plantation. For the year ending September 1969 the M'buke Co-operative Society Ltd made a net profit of \$4,685. On 1 September 1969 the society was split into the M'buke Consumer Co-operative Ltd and the M'buke Co-operative Plantation Ltd. The consumer co-operative had a capital of \$5,706 and the co-operative plantation a capital of \$19,462. By mid-1971 the consumer co-operative had made a

cash disbursement of profit of \$542 and the co-operative plantation had made a cash disbursement of \$1,176. Both new co-operatives are therefore doing relatively well at the present time. The tradestore on M'buke Island is now operated apparently successfully by two girls, and this appears to be an admirable way of absorbing some of the relatively highly educated, young female labour available in the Manus District.

When I made this study I was an undergraduate student at the University of New England. Field research was undertaken during December 1968 and January 1969. Some data, especially on M'buke Co-operative Society Ltd, were obtained from Administration files, but most information was obtained from formal and informal interviews with Mouk and M'buke people. Formal interviews were held through an interpreter translating from Manus to English and through direct questioning in Pidgin English. Informal interviews, for example during meals or while informants were fishing or building canoes, were carried out in Pidgin English.

I would like to thank the M'buke and Langandrowa Mouk people for their hospitality and assistance, and officers of the Division of Co-operatives Extension in both Port Moresby and Lorengau and the District Commissioner for the Manus District who also helped me. Professor R.G. Crocombe of the University of the South Pacific and Mr E.K. Fisk of the Australian National University read and commented on the manuscript and enabled many improvements to be made. I am especially grateful to Professor Crocombe for having contributed the Foreword.

The material used in this Bulletin was presented in a different form to the University of New England in 1969 as part-fulfilment of the requirements for the Bachelor of Agricultural Economics degree.

Chapter 1

Langandrowa plantation

Historical background

The Paliau Movement has affected all the people of the Admiralty Islands, but none so much as the Mouk, the traditional lagoon dwellers of Mouk Island near Baluan Island, who now own Langandrowa plantation (see Figure 1).¹ Paliau Maloat, the leader of the post-World War II 'revolution' in the Manus District, belonged to a Matankor village on Baluan, but his Movement depended on the Mouk and other Salt Water people (including the M'buke) who were poor and landless, and therefore extremely receptive to what seemed a way to obtain the very impressive American 'culture' the war had shown. According to Schwartz (1962:258, 262), Paliau claimed that Jesus had directed him 'to go straight to the people of Mouk who were singled out as the mark of the poverty of all natives'; they were to be his 'emissaries'.² After one of the most extreme cult outbreaks which took place in February 1947, Paliau made arrangements for the Mouk and another small group from Polot Island to move to and settle on the southern point of Baluan Island.³ The Polot, Salt Water people whose small island is sinking into the sea, became entirely integrated into the Mouk group.

During this early period, the leader of the Moik, Lukas Chaulka, was recognised as Paliau's right-hand man and principal rival (Mead 1956: 213). Paliau and Lukas were elected president and vice-president respectively of the Baluan Local Government Council when it was established in 1950. However, petty quarrels between the two men alienated

¹ The people of the Admiralty Islands can be divided on the basis of ethnic, cultural and linguistic differences into four groups: the Manus or Salt Water people (including the Mouk and M'buke communities), the Matankor, the Usiai, and the people from the Western Islands (Crocombe 1965:3-4).

² For a full account of the Paliau Movement, see Schwartz (1962). Since the first House of Assembly elections in 1964, Paliau has been the Member for the Manus Open Electorate.

³ Polot Island is one of the St Andrew Islands (see Figure 1).

the Mouk from Paliau, and a major dispute between the Mouk and Paliau then arose over land. Lukas Chaulka wanted land in order to obtain economic independence, whereas Paliau appears to have regarded the landless Mouk as a cheap labour force. Paliau's influence aroused outside resentment towards the Mouk, for he demanded that they stay on the point at Baluan, while the Matankor people who were the traditional owners of the small area of land on which the Mouk village stood strongly resented them. (The Mouk maintain, for example, that some Matankor people intimidated them by putting saltwater on their small subsistence gardens.) The Mouk were divided internally also, some supporting Paliau and others Lukas; those supporting Lukas wished to leave, obtain land, and from this derive a cash income.

In the early 1950s the Mouk tried to obtain land through the Administration. The possibility of resettlement on Rambutso Island was investigated but the Rambutso people were extremely hostile towards this. In 1956 the Mouk, who felt both persecuted and frustrated, cleared and planted the Tilliano Islands, small islands situated between Rambutso and Manus which belonged traditionally to the Polot residents of the composite village.¹ Lukas Chaulka intended to leave Baluan and resettle his people on the economically unviable Tillianos, but as both Paliau and the Administration disapproved this did not occur. In 1962 Lukas visited Australia as the Manus District delegate to a Department of Territories political education scheme; there he was able to interest the then Minister for Territories, Mr Paul Hasluck, in the land problem of his people. Lukas suggested Komuli plantation on the Fedarb Islands between Baluan and Rambutso for Mouk resettlement (see Figure 1),² but after negotiations Komuli was rejected by the Administration and Langandrowa was proposed as an alternative.

Langandrowa plantation comprises 268 acres of Langandrowa Island, which is situated at the southern tip of Rambutso Island. It had been taken over by the Administration after World War II and then leased on a short-term basis. The Rambutso people were again opposed to any attempt to resettle the Mouk in their area, particularly the Lankow people whose village is situated on Langandrowa Island and who claim

¹ The selling of copra obtained from these islands became a contentious issue also. Paliau wanted all copra to be sold through the Baluan Native Society Ltd which he controlled, while many of the Mouk wished to arrange their own marketing.

² This plantation, owned by F.J. Jacobsen, was well known to the Mouk (Lukas claims also that this land was taken from his grandparents by the Germans). Although the Paliau Movement had originally prohibited working for Europeans, many Mouk people had worked there mostly before but also after World War II; in particular, the Langandrowa store clerk, who worked as a clerk on Komuli, obtained valuable experience in the fundamentals of management.

traditional rights to the land. Nevertheless, in 1964 Langandrowa plantation was sub-divided and applications for blocks were received from both Lankow and Mouk people.

In October 1964, sixteen blocks comprising 220 acres were granted to Mouk applicants on ninety-nine year leases;¹ approximately 36 acres comprising the four northernmost blocks contiguous to Lankow village were allocated to Lankow applicants.² The remaining 12 acres were set aside for a communal centre and agricultural station, and here the Mouk people established their village (see Figure 2).

The influence of Paliau discouraged many Mouk from moving. Lukas had to rely on his own 'family'³ and two close friends,⁴ numbering twenty in all, to obtain sufficient applicants for the blocks. It is indicative of the conflicts on Baluan at this time that the man who was a local government councillor and the secretary of the plantation in 1968-69 was not among the original applicants; he threatened that if the Mouk people went to Langandrowa he would go to M'buke where he claims to have rights to land. (He is a relative of Nabor of M'buke.) He was later persuaded to take a block in place of one of the original applicants.

The Administration intended each block to be worked individually by the lessee, but Lukas and the Mouk had always intended the land, if they obtained it, to be worked collectively by the group. The Mouk who were not among the original applicants for blocks had to decide whether to go to Langandrowa or to stay on Baluan. Some claim Paliau intimidated them by saying that those who went to Langandrowa would die, but whether or not this was so approximately half the Mouk population, forty-five families, decided to go to Langandrowa.

In November 1965 the first group of ten left Baluan to build a school on Langandrowa. They claim that the Rambutso people tried to prevent them succeeding, for example, by refusing them access to food or building materials on Rambutso, and that Paliau was responsible for this. The truth of this accusation and of others is not relevant to this study; however, the Mouk's feeling of isolation and persecution is important as it appears to have highly motivated the initial group of ten and later the Mouk as a whole.

¹ Two pairs of the eighteen blocks originally surveyed were amalgamated when the leases were granted.

² In 1968 one of the Lankow blocks was forfeited for not meeting the minimum maintenance requirements of the lease. The lease went to a Manus (Salt Water) man living on Langandrowa (see p.48).

³ I am not certain to what kinship relationship this extended but it is particularly significant in considering the future possibilities of the project.

⁴ Both hold leadership positions in the present organisation.

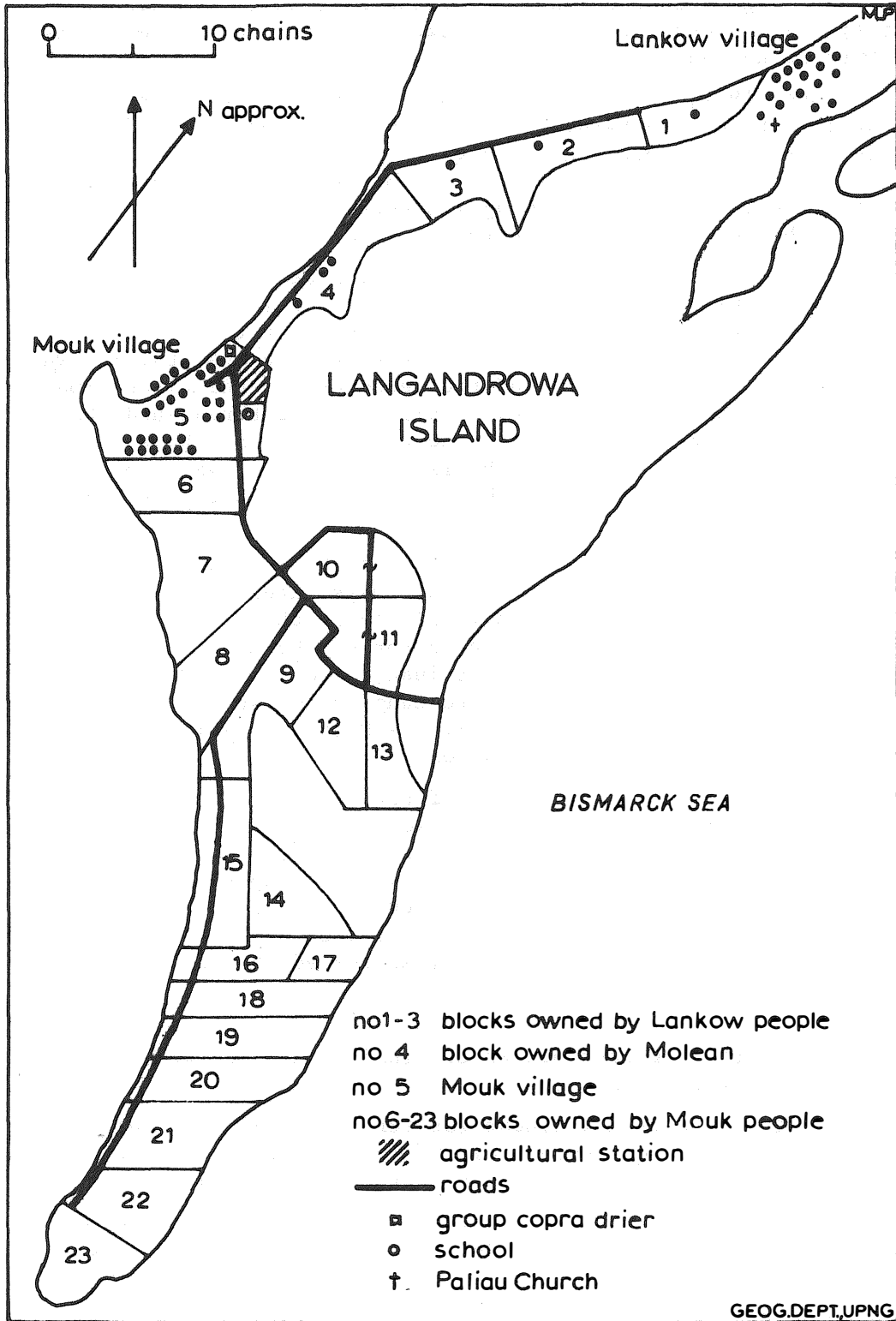


Figure 2. Langandrowa plantation sub-divisions

In June 1966 approximately 270 people left Baluan for Langandrowa. Copra production began in July 1967 after a village copra drier and storage shed had been built. Working conditions were poor; the thick bush made it difficult to find coconuts on the ground and the large canoes brought from Baluan proved unsuitable for carrying nuts. However, fifty tons of copra had been produced by the end of the year, compared with the previous lessee's annual production of approximately nineteen tons.¹ The Mouk avoided, as a marketing facility or landholding institution, the formal co-operative system (based on Rochdale principles) supported and supervised by the Administration. Instead they adopted their own corporate organisation selling directly to the Copra Marketing Board, the statutory organisation through which all copra produced in Papua New Guinea is marketed. In contrast, co-operative societies market through the main co-operative body of their area (in the Manus District this is the Manus Co-operative Association Ltd²), which in turn markets to the Copra Marketing Board.

This background is significant because the Paliau Movement tried to abolish traditional feasts and obligations, and to replace the old economic order with one that depended on the acquisition of money to obtain imported manufactured goods. It thus helped to create the change in 'attitude' necessary for the successful adoption of a market economic system. Post-war factors seem to have encouraged the Mouk's extreme independence and strong motivation to succeed as a group, in order both for the individual to benefit materially and for the group to get outside recognition. As they owned no land, from the beginning of the Paliau Movement they epitomised poverty in terms of the new frame of reference of a cash economy, and they were determined to show Paliau that as a community they could be successful in acquiring cash and material goods. The alleged persecution by Baluan Islanders and the hostility of the Rambutso Islanders were particularly significant in uniting the Mouk and motivating them economically. They are keen to contrast with contempt, how given the opportunity they have achieved material success through hard work, while the Rambutso people sindaun nating ('make no use of their opportunities').³ The type of business institution and work organisation chosen by the Mouk, as well as their strong motivation, appear therefore to have been considerably influenced by outside hostility and resentment.

¹ Personal communication: F.J. Jacobsen, January 1969.

² Until August 1968 this was called the Manus Native Societies Association.

³ This feeling was particularly marked during the field study when Muli from Rambutso was holding cargo cult meetings in which all Rambutso villages were to some extent involved. (Muli was gaoled for six years in 1947 for the murder of his brother, the cult leader Wapei.)

Work organisation

Although the Mouk section of Langandrowa plantation is divided legally into sixteen individual blocks, this has not affected the way in which the plantation is run. The plantation is worked by the whole workforce. (In contrast, each of the four Lankow blocks is run by a single household.) Initially the most pressing need was capital accumulation, and therefore in 1965 work emphasis was on gathering coconuts. Coconuts were gathered communally, and a piece rate paid to individuals per bag of green copra (husked coconuts). On both Langandrowa and M'buke plantations copra is produced in driers, not by drying in the sun, which produces only a low-grade copra; heat is produced by burning the shells. The dried copra is then placed in bags and pounded into smaller pieces.

Table 1.1 shows the amounts per lb for smoked and crushed copra paid between 1964 and 1968.¹ In 1965 each individual received a low incentive payment of approximately 1.24 cents per lb of smoked copra, leaving a surplus of 6.53 cents per lb from gross receipts. In 1966 work emphasis shifted from immediate cash earnings to consolidation. A permanent village and some small work canoes were built and the plantation was cleared of dense undergrowth and tall trees; it was grossly neglected as the previous lessee had visited it only occasionally to gather coconuts.

By the end of 1965 gathering entirely on a communal basis meant the full potential of the plantation was not being realised because the communal copra drier had only a limited capacity. Moreover, towards the end of 1966 the amount paid for communally gathered smoked copra was raised from 1.40 to 2.72 cents per lb, indicating an increased demand for individual cash earnings. A system of private copra gathering was therefore introduced.

At first all stages of the production process were labour intensive, but after a tractor was bought in 1967 for transporting the nuts, labour could concentrate on gathering and husking them. The organisation has effectively integrated both communal and individual work activities.

1. Communal copra gathering. As this provides the means for the group to accumulate capital, the whole system depends on its effectiveness. The management decides in which weeks communal gathering is to take place. Workers gather and husk coconuts from any part of the plantation and they are then taken by tractor to the communal copra drier. Four men are appointed by the management for three-week work periods² to dry the green copra; in 1968 each one received \$30 for

¹ One bag of smoked copra weighs 160 lb and approximately four bags of green copra are required to produce one bag of smoked copra (Department of Agriculture, Stock and Fisheries 1969:45).

² See p.10.

Table 1.1

Payment per lb received for smoked copra, Langandrowa and M'buke, 1964-68
(cents)

Period	Copra Marketing Board price* (approximate)	Langandrowa				M'buke co-operative payment [#]	Surplus
		Group payment**	Surplus	Tradestore payment***	Surplus		
1964	6.65	-	-	-	-	2.36	4.29
1965							
Jan. 1 - June 30	7.77	-	-	-	-	3.32	4.45
July 1 - Dec. 31	7.77	1.24	6.53	-	-	2.68	5.09
1966							
Jan. 1 - Mar. 30	6.80	1.40	5.40	-	-	4.84	1.96
Mar. 31 - Sept. 30	6.05	1.40	4.65	-	-	4.36	1.69
Oct. 1 - Dec. 31	6.51	2.72	3.79	-	-	3.16	3.35
1967							
Jan. 1 - Feb. 28	6.30	2.32	3.98	4.00	2.30	3.16	3.14
Mar. 1 - Aug. 31	6.23	2.32	3.91	4.00	2.23	3.16	3.07
Sept. 1 - Dec. 31	6.73	1.64	5.09	3.00	3.73	3.16	3.57
1968							
Jan. 1 - Feb. 29	5.98	1.48	4.50	3.00	2.98	3.16	2.82
Mar. 1 - June 30	6.89	1.48	5.41	3.00	3.89	3.16	3.73
July 1 - Dec. 31	6.50 ^{##}	1.72	4.78	3.00	3.50	3.68	2.82

* This is estimated by the average of Hotair grade 1 and F.M.S. grade 2 final prices for the period and therefore includes the copra adjustment (see p.10).

** These amounts are estimated from the plantation clerk's copra payments journal which lists payments per bag of green copra; I have converted these to payments per lb of smoked copra.

*** Obtained from the store clerk's produce journal.

[#] Payments per lb have been calculated from the payments record book of Lenjenning Island, the only island with a complete record. It lists payments per bag of green copra and I have converted these to payments per lb of smoked copra.

^{##} The copra adjustment was not available and is consequently estimated.

every 200 bags of smoked copra produced. Men are appointed each day to bag the copra and they are not remunerated.

Individuals must reach a quota (usually two to three bags of green copra) in any one day of communal gathering before they can gather nuts privately. A further incentive to reach the quota is the piece-rate method of remuneration.

2. Private copra gathering. The individual gathering coconuts privately is responsible for the whole production process, unlike the arrangements for group gathering. He can gather coconuts from any part of the plantation, husk, smoke and crush them, and the tradestore then buys the smoked copra for a higher price than the group fund pays for communally gathered copra (see Table 1.1). In early 1969 the tradestore paid 3.00 cents per lb and the group fund 1.84 cents per lb. These gross figures make the difference in price seem larger than it really is, for the individual must use more of his own labour in private gathering; he must either carry the nuts himself to one of the fourteen private driers or hire the tractor at \$3.00 per hour and 40 cents overtime for the driver, and he must husk, smoke and crush the nuts himself. He must also pay the tradestore 30 cents for each bag he uses. Yet the price difference is considerable, and private gathering has therefore been effectively restricted in the following ways. First, no one can gather nuts privately when communal non-remunerative tasks such as clearing bush are being carried out. Secondly, on any day when group gathering is taking place a person must reach a quota before he can gather privately. Thirdly, the tractor can be hired only at weekends and after 4 p.m. weekdays. The system of private copra gathering has therefore encouraged people to work longer hours.

Clearing and replanting

Clearing is essential for efficient production; otherwise some nuts are overlooked, and other trees and undergrowth compete with the coconut palms for essential moisture. Replanting is a form of reinvestment for the economic life of a coconut palm is approximately sixty years. Both clearing and replanting are communal activities which are not remunerated directly. Thus, as for all communal tasks, it is compulsory for the whole workforce to be engaged on them. This appears to be enforced informally by strong moral suasion by the group and formally by the requirement that individuals meet non-payment work obligations before gathering coconuts. It has been a notable feature on Langandrowa that clearing and replanting, which give no immediate, direct cash returns to the individual, have not been neglected, as often occurs on similar projects. In contrast, the four blocks held by Lankow people were overgrown early in 1969.

Business organisation

The only form of business institution familiar to and accepted by the indigenous people of the Manus District was the formal co-operative

society sponsored and supervised by the Administration. For two main reasons the Mouk did not make use of this. Because they lease Langandrowa for \$32 per annum they initially had to make only a small capital outlay and did not require credit from the Manus Native Societies Association. (In contrast M'buke plantation was purchased for \$12,000, of which \$2,000 was borrowed from the Association.) More importantly, the Mouk appear strongly to distrust co-operative societies (possibly partly because Paliau was instrumental in their introduction to the Manus District in 1947), and this dislike is intensified by their sense of group identity and independence.¹ Like many others, they believe that although villagers constitute the members of any one co-operative society, they do not own it: instead the Administration owns it, and runs it for the benefit of the European co-operative officers.² From 1947 to the time they left Baluan Island, the Mouk people were members of the Baluan Native Society Ltd, which they claim was used solely for Paliau's economic ends.

The Mouk wished to control their own affairs and to collect any profits of their enterprise for themselves. (In the co-operative

¹ However, indigenous people throughout the Manus District appear disillusioned with co-operatives. When they were first introduced, people expected more than a mere facility for buying goods and for marketing produce. By becoming 'shareholders' in their own 'company' for \$10 or so, they believed they would acquire wealth and goods such as the large European companies had. One co-operative director commented: 'We thought that we would put together our money to bring the cargo into our villages and then we found that when it came, in spite of our being shareholders, we had to buy it' (Schwartz 1966:37). Apart from the inevitable disappointment of not receiving free goods and large profits, the more realistic expectations of cheaper consumer goods, rebates and higher payments for produce were not met, partly due to undercapitalisation of the societies and possibly also to the embezzlement of funds by storekeepers and directors. The Administration in a number of cases has become a scapegoat for the failure of the co-operatives.

² In this regard the Mouk people cite the people of M'buke who have a co-operative society:

The M'buke people don't really own their plantation - it belongs to the government and the co-operative officer. If the M'buke people want something like a tractor or boat, they have to go and ask the co-operative officer, who then goes and asks the officials in Port Moresby who say no. While with our system our own money goes into a fund and when we have saved enough we can buy what we like when we like.

In fact, the Mouk's ability to obtain capital assets is not solely a consequence of the way in which their business is organised; the physical nature of the plantation and the absence of an initial large capital outlay are also extremely important.

system where all societies are members of the parent association, theoretically at least all societies benefit to some degree if any one society is prosperous.) They did not want others to benefit directly or indirectly from their work on Langandrowa. As Lukas Chaulka stated: 'Mani Mouk i winim i mas kam insait Mouk grup. Mouk i wok sitrong na man bilong Rambutso i les; nogut i kisim mani bilong Mouk': 'The money Mouk people earn must come back to the Mouk; if the Mouk work hard and the Rambutso people are lazy, they should not get our money.'

An extremely sophisticated business organisation was created, considering the Mouk's minimal experience of a money economy, their lack of formal education and of guidance and supervision. The business is divided into independent parts which support one another financially; this enables the performance of each section of the business to be observed. Funds have been created for group and private copra and for the capital assets. The group fund comes from payments for communally gathered copra; all Copra Marketing Board receipts go into it with the exception of the copra adjustment, the surplus distributed annually by the Copra Marketing Board after it has covered its running expenses.¹ The direct expenses of group gathered copra, the fixed expenses of the plantation such as rent, and the communal expenses of the village are met from this fund. For example, in 1968 the group fund gave \$32.65 to the women's club, and it planned a large capital outlay during 1969 for the construction of houses for a men's and a women's club. It has also provided money for the following capital assets: a tradestore costing \$360 acquired in September 1965; a tractor bought for \$3,000 in August 1967; and an outboard motor bought for \$250 in February 1968. A boat was to be bought in March 1969, and the manager estimated it would cost \$11,000.

Table 1.2 illustrates the operation of the group fund for a 'three-week' work period in 1968. Usually the group does not gather for three successive weeks but works also on other communal projects. The 'three weeks' is therefore made up over longer periods. For example, in 1968 there were six 'three-week' work periods of from four to nine actual weeks in length. No payments are made for wages or for copra gathered until the work period is finished.

The Mouk people determine what individuals receive and how this payment is to be made. For communally gathered copra a tentative price is set prior to a three-week work period; this estimate is discussed at a village meeting but the final decision is made by the secretary. He may raise or lower the actual price paid at the end of the work period according to the world price. Payment is made for the number of bags of green copra collected by an individual during a work period. Table 1.3 illustrates the method of payment.

¹ Since 1968 the copra adjustment has been paid into a savings account which is used primarily by the tradestore.

Table 1.2

Income and expenditure for the three-week work period
ending 31 October 1968

	\$
Receipts	
34,900 lb of copra sold to the Copra Marketing Board at approximately 6.5 cents per lb*	2,268.50
Expenditure	
Individuals for smoked copra at 1.72 cents per lb	600.00
Firemen**	112.00
Manager	10.00
Secretary	10.00
Tractor driver	12.00
Plantation clerk	10.00
Allowance for copra adjustment to store savings account	340.00
10% of copra payments to tractor fund for depreciation	60.00
Freight	87.00
Tractor hire	24.00
<u>Total expenditure</u>	<u>1,265.00</u>
<u>Surplus to group copra fund</u>	<u>1,003.50</u>

* This includes an allowance of \$20 per ton for the copra adjustment.

** Although each fireman should have received \$30 per 200 bags the group payment records indicate they received a smaller sum.

Prior to 1968 the receipts from privately and group gathered copra all went into the group fund. The tradestore thus bought copra from individuals but made no profit from its subsequent sale. Its revenue was from the sale of consumer goods only, and this was insufficient for both the purchase of copra and restocking the store. So the store received unregulated or unrecorded grants from the group fund to continue operating. In 1968, under pressure from the store clerk, a savings account was opened for the tradestore. Private copra began to be marketed separately, its receipts going into this savings account together with the copra adjustment from both private and group gathering. The tradestore could then function autonomously and its activities could be supervised.

Revenue for the tractor fund comes from charges for chartering and from a depreciation allowance. In 1968 Mouk people paid \$3 an hour for using the tractor in private gathering, plus 40 cents overtime payment to the driver; non-Mouk (Lankow) people paid \$4 an hour, plus 40 cents overtime payment to the driver; and the group copra fund paid \$24 for a three-week work period. Depreciation is allowed for implicitly by the transfer of 10 per cent of group copra payments from the group copra fund to the tractor fund. In 1968 a receipt book and savings account

Table 1.3

Payment for three-week work period, August 1968

Name*	Share total**	Amount due (tentative) \$	<u>Dinau</u> ***	Amount paid [#] \$
Papou	20.5	12.25 [#]		15.35
Indrilou	19.5	11.75		14.75
Inanau	19.5	11.75		14.75
Martin	21	12.95		15.95
Kanawi	25	13.35		16.35
Kepinui	20.5	12.35		15.35
Paliau	9	5.40		8.40
Maleau	14.5	8.75		11.75
Martin, W.	18.5	10.80		13.80
Augat	28	16.18		19.80

Source: Plantation clerk's journal.

* A man and his wife generally work together (one work unit) and one of their names is recorded in the clerk's journal.

** A 'share' is issued for every bag of green copra gathered.

*** Pidgin English word for credit. Outstanding debts with the trade-store are entered here, and sometimes they are settled from copra payments.

[#] This is the actual amount received by the workers; in this case the tentative price has been adjusted upwards by \$3 for all except Augat.

[#] The discrepancy between the amount (\$12.25) due to Papou with 20.5 shares and the Kepinui (\$12.35) with 20.5 shares appears in the clerk's journal.

were introduced which permit some degree of control over the tractor enterprise, although not all tractor payments such as fuel expenses are recorded. Recorded receipts to the tractor fund from May 1968 to early 1969 comprised \$219.83 for private Mouk and Lankow charter, \$62 for group charter,¹ and a 'depreciation' allowance of \$419.83 from the group fund.

The expenses of the outboard motor are also met by charter charges: in 1968 these were \$1 an hour for a Mouk group, \$2.50 an hour for a non-Mouk group, and 20 cents an hour for passenger travel. It was

¹ As the tractor charter rate is \$24 per work period, this amount seems very low. Probably some payments were not made or were not recorded.

intended to meet the expenses of the boat due in March 1969 by charter charges, but in January 1969 the rates had not yet been determined.

Table 1.4 shows the distribution of Langandrowa's 1968 copra return and sets out the financial organisation of the copra business. In 1968 there were six work periods.

Table 1.4

Copra income and its distribution, Langandrowa, 1968

Item	Rate	\$
Mouk group gathering: 97.4 tons	\$143.33 per ton	13,960
Lankow gathering with Mouk group: 2.6 tons	\$143.33 per ton	373
Mouk private gathering: 79 tons*	\$143.33 per ton	11,323
<u>Gross copra receipts**</u>		<u>25,656</u>
Mouk group gathering	\$35.84 per ton	3,491
Lankow gathering with Mouk group	\$35.84 per ton	93
Mouk private gathering	\$67.20 per ton	5,040
Copra gathered outside plantation sold through tradestore	\$67.20 per ton	269
Wages		
Firemen	\$120 per 200 smoked bags	840
Store clerk***	\$6 per month	72
Management and technical staff	\$42 per work period	252
Direct expenses		
Freight‡	\$5.60 per ton	1,003
Bags, twine, paint, etc.‡‡	\$8.04 per ton	1,092
Rent	\$2 per block	32
Group tractor hire	\$24 per work period	144
'Depreciation' allowance for tractor	10% of value of group copra payments	358
<u>Total distribution</u>		<u>12,686</u>
<u>Net surplus</u>		<u>12,970</u>

* This includes four tons sold through the tradestore and collected outside Langandrowa plantation by non-Mouk people.

** This amount includes the copra adjustment.

*** Half his working time is spent with copra, the other half as store clerk.

‡ Each shipment requires a one-day charter at \$60 a day.

‡‡ This is Crocombe's estimate (1965:17, 24) for M'buke; \$315 is subtracted for the amount paid by individuals for copra bags.

The people of the Manus District have no business tradition within a cash economy and it is only through the co-operatives that there has

been some exposure to the principles and procedures of business operation. Moreover, although some Mouk people (including all key management personnel) are literate in Pidgin English, very few of the plantation labourers have had any formal education.¹ As the business is not a formal co-operative society it does not have a set of accounting and financial procedures to follow and it is not officially supervised. Yet an effective system has developed, whose only apparent weakness is the lack of financial records and checks; the system therefore relies very heavily on the integrity and competence of key personnel, in particular of two individuals, the plantation secretary and the store clerk. The secretary, through long association with local government councils and in holding other public positions, is familiar with simple basic business procedures, such as the use of receipt books and of cheque and savings accounts.² The store clerk had more specific business experience as a clerk on Komuli plantation, where he worked from 1958 after a dispute with Paliau. He was entrusted with a degree of responsibility uncommon for an indigene working on an expatriate plantation.³

The most significant aspect of the type of business organisation is that the Mouk people run and own it and feel wholly responsible for it. As there is no control or apparently none from outside, the people consider the plantation to be exclusively theirs. This attitude differs from that of the M'buke people, who distinguish between ownership by the 'people', themselves, and ownership by the co-operative.

The Mouk's conviction that the land is theirs, reinforced by a very strong sense of group identity, has allowed an extremely high rate of capital accumulation. Had they felt, like the M'buke people, that they didn't actually own the plantation, they would not have been prepared to accept such a low direct return for the copra they produced. The internal and autonomous financial system has enabled them to comprehend exactly where the difference between the Copra Marketing Board price and their individual receipts has gone, that is, into a Mouk fund to be used for specific purposes. In contrast, the M'buke cannot understand

¹ Some had spent varying periods of time at mission schools before World War II. Though these are described by the Mouk as 'rubbish schools', they enabled a few to become literate.

² The secretary was first elected to the Baluan Local Government Council in 1953 and has been a councillor ever since. (In 1966 the Manus North Coast Local Government Council, which was established in 1962, and the Baluan Council were amalgamated to form the Manus Local Government Council.) In 1968 he was elected president of the Manus Local Government Council and in 1969 he was also president of the Manus High School Parents and Citizens Association.

³ Personal communication: F.J. Jacobsen, January 1969.

what happens to this difference and they believe also that the copra adjustment payment 'mysteriously disappears'.¹

To appear to have effective control over one's business seems a particularly strong motivating force. Owing to the fluctuations in world copra prices, the price adjustment made by the secretary in response to world price quotation is not an adjustment to long-run price trends. But although it is not of particular economic significance, being able to make such adjustments has a favourable psychological effect on the community.

Although the business institution to date has been remarkably successful, potential weaknesses exist. First, it does not have access to the liberal credit facilities of the Manus Co-operative Association Ltd, on which the M'buke co-operative has had to depend. Secondly, and this is the most obvious weakness, the finances are not audited and therefore the key personnel must be trustworthy and competent and the other Mouk must accept them as such. If prosperity declines or expectations are not met, the plantation management could take the place of Administration officials and co-operative officers as scapegoats.

Table 1.5

Cash return per work unit, Langandrowa, 1968
(\\$)

Gross receipts to Mouk people		9,725
Group gathering	3,491	
Private gathering	5,040	
Wages*	1,194	
Payments by individuals		611
Private tractor charter**	296	
Purchase of bags***	315	
Total net cash receipts distributed to individuals		<u>9,114</u>
Distribution per working unit	203	
Distribution per head [‡]	34	

* This sum includes an estimate of \$30 for overtime wages paid by Lankow workers to the tractor driver but excludes \$39 estimated as the tractor driver's overtime wages for private Mouk gathering.

** Derived from the tractor charter book. Records were kept only for the second half of the year so that the amount has been doubled.

*** These are bought from the tradestore at 30 cents each.

[‡] The population supported on Langandrowa in December 1968 was approximately 269.

¹ On M'buke the copra adjustment has been used to avert a net loss and to provide some capital for a chronically undercapitalised business (see p.28).

Up to 1969 strong group motivation, the nature of the business institution, and the type of leadership meant demands for immediate individual cash returns were low. In the future, realised demand by individuals for cash earnings may endanger the capital position of the organisation. The autonomous nature of the business means that no external control would exist. This could also apply to conspicuous group consumption that the business could not afford to incur. Conspicuous consumption appears, for example, to have motivated the ordering of the \$11,000 boat. To the Mouk it will demonstrate their success to other people of the region, although the investment may not be sound economically.

Table 1.5 shows the return per work unit in 1968. The number of work units (man and wife) is estimated at forty-five.

Leadership and management

The most significant feature of formal leadership and management in plantation and village affairs is the centralisation of effective power in the hands of a very few, who tend to hold these positions over a long period of time. While on M'buke people tend to hold only one formal leadership position at a time (see Table 2.4), on Langandrowa four men between them hold fifteen formal leadership positions. The manager of the plantation, Lukas Chaulka, is also a member of the village committee, chairman of the school committee, chairman of the men's club, vice-chairman of the women's club, and Langandrowa representative on the Manus District Advisory Council. The secretary of the plantation is also the councillor for Mouklan (Mouk and Lankow villages together elect a representative to the Manus Local Government Council), vice-president of the village committee, and president of the Manus High School Parents and Citizens Association. The store clerk is the secretary of the school committee and the copra inspector, and the president of the village committee is also an elected member of the committee of four for Mouklan Council (the village council for Mouk and Lankow villages). On Langandrowa, in contrast to the managerial organisation on M'buke, no plantation committee exists nor the equivalent of a co-operative society's board of directors. Although an appointed village committee of six men discusses matters concerning the plantation, the manager, secretary and store clerk control the formulation and implementation of decisions.

Personnel for key positions in the village or on the plantation are appointed rather than elected. (An exception is the councillor for the Manus Local Government Council, a prestige position which by government regulations is obtained through election.) Since 1965 these appointments have been made by the manager and the secretary. The few men who have controlled the management of Langandrowa plantation are relatively the most qualified, and at least in the short run this has been an advantage, for the extremely scarce resources of entrepreneurial ability have been most effectively utilised.

Extensive genealogical data would be required before determining any correlation between present and traditional status. The manager is conspicuously the most important man on Langandrowa, yet his family traditionally is of very low status.¹ The secretary, store clerk and president of the village committee belong to traditionally high status families. The committee president is said to belong to the 'leading' Mouk family and the secretary, who feels that his present position is in part due to his traditional status, belongs to the second highest ranking family in traditional terms.

The Mouk people consider entrepreneurial ability is important, but they do not appear to understand the function of management. Managerial roles confer status but are not rewarded financially; only physical work on the plantation is considered 'real' work and is remunerated. Consequently many workers are able to earn more than those in managerial positions; even the latter have to depend mainly on gathering copra for an income. During 1968 the manager and secretary received approximately \$60 each as payment for their managerial activities, and they supplemented this by gathering copra.

Future possibilities

Studies of this nature taken at one point in time have serious limitations, particularly in a case like Langandrowa where physical development is incomplete and enthusiasm for a new enterprise has not yet waned. Various changes are possible.

First, three hundred Mouk still live on Baluan Island and, due to the apparent success of Langandrowa and increasing dissatisfaction with their life on Baluan, many wish to leave.² In February 1969, forty-six

¹ Lukas frequently and proudly referred to the fact that his father was a 'nothing'. Schwartz (1962:234) considers that Lukas's lack of traditional status was a major reason for his failure to initiate local reform before the social revolution of the Paliau Movement. With the Paliau Movement outside experience increasingly became a major determinant of status and a criterion for leadership. Lukas Chaulka has had considerably more outside experience than his contemporaries. Before the war he worked as an engine-hand on a small coastal freighter. During the war he worked first with Australian coast-watchers on New Britain and later, after escaping from the Japanese, he guided American troops back through the Japanese lines. (For this he was later decorated, though he threw his medal into the sea during a cult outbreak in 1947.)

² This conclusion is derived largely from the Langandrowa Mouk. But the desire of the others to leave Baluan was evident during 1968 when a group sailed a canoe sixty miles to Sopa Sopa plantation on the north coast of Manus Island to ask F.J. Jacobsen if they could live on Komuli plantation. (He refused.)

Mouk left Baluan; the children went to school on Langandrowa while their parents gathered copra on the Tilliano Islands. It is possible that they may later settle on Langandrowa. To absorb all three hundred Baluan Mouk on Langandrowa would place a great economic pressure on the enterprise and the Administration is unlikely to agree to the resettlement. For Lukas Chaulka the solution to the problem lies in obtaining nearby Komuli plantation.¹

Secondly, the danger that realised demand will become so high as to endanger the capital position of the business has been discussed.² It is realistic to suggest that individuals will demand higher cash returns, both through higher prices for copra gathered and in payment for tasks such as clearing, and it is therefore optimistic to assume that the present rate of capital accumulation, approximately 51 per cent of copra receipts in 1968, will continue indefinitely. However, financially the business could absorb reasonable demands for increased direct personal returns.³

¹ The possibility of leasing or buying the plantation was not looked into.

² See p.16.

³ Consider the following hypothetical case: if, first, the price paid to individuals for group gathered smoked copra rises from 1.72 cents per lb to 3 cents per lb (a common price paid by co-operative societies); secondly, the tradestore price remains unchanged at 3 cents per lb; thirdly, copra production remains the same as in 1968; fourthly, the price received from the Copra Marketing Board is \$145.00 per ton; and finally, \$820 is paid during the year to individuals for clearing bush (the amount paid on M'buke). The financial position of the business under these conditions would be as follows:

Item	Rate	\$
Mouk group gathering: 97.4 tons	\$145 per ton	14,123
Lankow gathering with Mouk group: 2.6 tons	\$145 per ton	377
Mouk private gathering: 79 tons	\$145 per ton	11,455
Gross copra receipts		25,955
Mouk group gathering	\$67.20 per ton	6,545
Lankow gathering with Mouk group	\$67.20 per ton	175
Mouk private gathering	\$67.20 per ton	5,040
Copra gathered outside plantation sold through tradestore	\$67.20 per ton	269
Wages		
Firemen	\$120 per 200 smoked bags	840
Store clerk	\$6 per month	72
Management and technical staff	\$42 per work period	252
Clearing		820
Direct expenses		
Freight	\$5.60 per ton	1,003
Bags, twine, paint, etc.	\$8.04 per ton (less \$315 paid by individuals for copra bags)	1,092
Rent	\$2 per block	32
Group tractor hire	\$24 per work period	144
'Depreciation' allowance for tractor	10% of value of group copra payments	672
Total distribution		16,956
Net surplus for capital accumulation		8,999

Capital accumulation is almost 35 per cent of gross receipts, which appears more than sufficient for an established plantation.

Thirdly, there does not appear much prospect of agricultural diversification. Rubber and coffee experiments run by an Administration agricultural officer have failed due to the saline nature of the soil.¹ Commercial development of fishing is possible. A freezer is being installed in the markets at Lorengau, the administrative centre of the Manus District, and there is speculation that a Japanese company may establish a cannery at Lorengau. If this occurs it is possible local fishing could be incorporated, although this depends to a large extent on the availability of bait for tuna fishing. In 1969 Lukas Chaulka talked of the possibility of installing a freezer on the boat which had been ordered. Assuming marketing facilities are provided at Lorengau, the adoption of commercial fishing by indigenous communities presents many technical and managerial difficulties. But it is worthy of note that the Mouk people of Langandrowa, like the M'buke, consider themselves to be fishermen rather than farmers.

Fourthly, as the plantation is made up of sixteen blocks, each leased individually, it is possible that some time in the future some lessees may claim their legal rights and work their own blocks. The individual leasing has in no way affected the communal operation so far. (But although people claim that the individual leases are of no importance, when one of the lessees died in 1967 the lease was inherited by his eldest son.)

Fifthly, there may be changes in leadership. Lukas Chaulka is the most important leader and possibly a degree of charisma is associated with this. His leadership has contributed significantly to obtaining and successfully running the plantation to date, but in the long run it could adversely affect the enterprise, for management experience is restricted to very few and effective replacement will be difficult.² The only individual who has had significant outside commercial experience is the store clerk, and in January 1969 he was considering returning to work on Komuli plantation for a short period in order to raise funds for buildings materials for a new house. In 1968-69 he received a little more per month on Langandrowa than he could earn per week on Komuli. His absence even for a short time could have an adverse effect on Langandrowa at this stage.

Sixthly, the manager regards the long-term labour position as the biggest problem because of the migration of youth from Langandrowa. In terms of the ability of the economy to absorb labour, the problem is

¹ Rubber and coffee have not been grown successfully anywhere in the Manus District.

² An example of the influence of an authoritarian charismatic leader on an enterprise is seen in the Erap mechanical farming project (Crocombe and Hogbin 1963). The effects of the leader leaving the enterprise are discussed in Crocombe (1971b).

possibly more apparent than real, though it is notable that early in 1969 only two men under twenty-five years of age, neither of whom had reached high school, worked full-time on the plantation. Lukas, in an attempt to overcome the out-migration and to provide technical skills on Langandrowa, has designated jobs in the future for youths (for example, as carpenters, clerks and boat engineers) and accordingly they are expected to do the appropriate training. A survey was not made of the expectations and aspirations of Langandrowa youths, but at best such a scheme would account for only a small proportion of the plantation labour force for the bulk of its labour requirements will remain unskilled. Even if it was economically feasible, future mechanisation may be technically difficult because tractors are confined to roads by many sharp coral outcrops.

Finally, Langandrowa, not being a co-operative society, is theoretically liable to an annual company tax at the rate of 22.5 per cent of taxable income (approximately net profit).¹ Although heavy taxation may be desirable in the national sense, it could have an adverse effect on the motivation of the people in an enterprise of this nature.

¹ The 1971-72 Papua New Guinea budget passed by the House of Assembly on 28 September 1971 raises annual company tax to 25 per cent of taxable income. Primary producers may claim deductions for capital expenditure which will bring land into production or improve the productivity of land already in use.

Chapter 2

M'buke plantation

Historical background¹

At the beginning of this century the M'buke Islands were unoccupied; the ancestors of the present M'buke people had fled to Manus Island after a punitive German expedition in the late nineteenth century. From Manus Island some of them visited the M'buke Islands fairly regularly to collect turtles and fruit. Shortly before World War I a German planter 'bought' and planted the islands and after the Australians took over in 1914 the M'buke people visited more often and a few built houses on one of the islands. After the war the German planter was repatriated and the M'buke people returned and settled. The Custodian of Expropriated Properties ran M'buke plantation until it was sold for \$8,200 in 1928 to N.L. Whiteley, who also bought Patali Island for \$1,000 in 1934. In 1934 M'buke plantation was taken over by Edgell and Whiteley in partnership. Before World War II indentured labour, mainly from elsewhere in the Manus District, was used on the plantation, and few M'buke men worked there.

In 1940 Nabor, the post-war leader of the M'buke community, tried to instigate local reforms similar to those of Lukas Chaulka among the Mouk, for example, the abolition of bride price, gift exchanges at birth and death, and obligatory feasts. His high traditional status in comparison with that of Lukas permitted some limited success in these reforms. With the Japanese invasion in 1942, M'buke plantation was abandoned by its expatriate owners. The plantation became overgrown, and many palms were destroyed when the islands were used as ranging points by American coastal batteries.

In 1946 the Paliau Movement arose. The M'buke were further away from Baluan than the Mouk and were therefore not as involved in this; nevertheless the Movement has been extremely important to them and like the Mouk they experienced cult outbreaks and similar subsequent reforms which provided the preconditions for undertaking commercial economic activities. The M'buke villages of Bulol and Bilitangalou were abandoned and both groups settled at Korn on M'buke Island (see Figure 3).

¹ This account is derived largely from Crocombe (1965:5-6, 44-59).

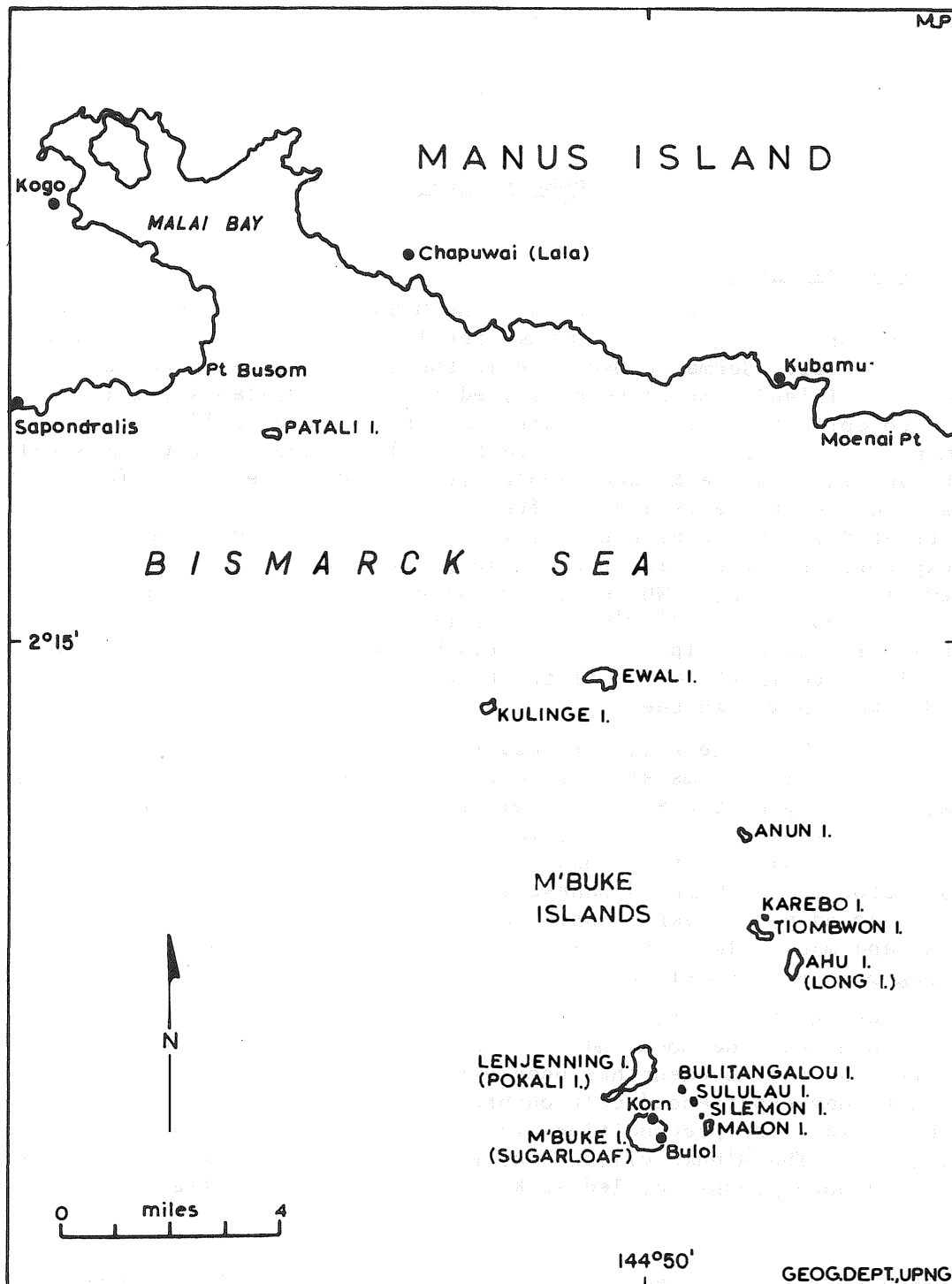


Figure 3. M'buke Islands

The M'buke people unlike the Mouk have remained very strong supporters of Paliau; only in recent years have some of the old leaders become discontented and a division into pro- and anti-Paliau factions has arisen.

The M'buke people were very hostile when Edgell and Whiteley reaffirmed ownership of the plantation and began restoration in 1951.¹ The plantation was managed from N'drowa plantation twenty-five miles away and visited once every fortnight. Apart from four experienced men, M'buke people did all the work on a contract basis; they received \$37.50 per ton for grade 1 and 2 copra and \$30 per ton for grade 3. This gave an average return of 1.60 cents per lb for copra. They were able to gain experience in all aspects of plantation work except management.

A co-operative society, the M'buke Native Society Limited, was established on M'buke in 1955 in order to market trochus shell² and copra³ and to provide a retail store. The society in its first year had 170 financial members, which accounted for almost the entire adult population. Share capital was subscribed at the rate of \$10 per share. Early in 1959 the directors of the co-operative negotiated to obtain the plantation, and Edgell and Whiteley agreed to sell it for \$12,000: \$2,574 was drawn from a trust deposit held by the Baluan Local Government Council, \$1,891 was drawn from funds of the seven M'buke clans,⁴ \$2,000 was borrowed from the Manus Native Societies Association, and a further \$7,000 (including \$1,000 for working capital) was obtained from the Native Loans Board which gave five years for repayment (until 31 March 1967) at an interest rate of 4½ per cent per annum. In November 1961 the M'buke Native Society Limited took control of the plantation. A cess of \$28 per ton of copra was incurred to pay off the Native Loans Board loan. The four copra driers were replaced, undergrowth was cleared, and some replanting was undertaken.

¹ After the long absence of the company the people began to assume it would not return. They also claim that a district officer gave them permission to use the plantation in return for capturing four Japanese during the war (Crocombe 1965:56-7).

² This is no longer gathered because of low world prices.

³ Copra on Bulitangalou and M'buke Islands belonged to the M'buke people and they also obtained copra from the Purdy Islands to the southwest of the M'buke Islands. (They made traditional claim to the Purdy Islands but had no legal rights.)

⁴ The figure of \$1,891 was obtained from records kept by the leader of the Sopia clan (see Table 2.2). Although extensive genealogical data were not collected it was determined that the M'buke people are divided into seven family groups, each of which traces its descent from one of the seven leaders at the time of the Manus migration from Peri to M'buke (see Crocombe 1965:44-9).

The most obvious difference in the historical background of M'buke compared with Langandrowa is that the M'buke resettled on land over which they claimed traditional proprietary rights. Traditional land claims could therefore have adversely affected the efficiency of the corporate enterprise. Although the M'buke have not been subject to outside hostility (a positive motivating force with the Mouk), their strong desire to retrieve their land which had been in foreign hands for fifty years appears initially to have provided strong group cohesion.

Work organisation

For the gathering of coconuts M'buke plantation is divided into four sections: Lenjenning Island; Tiombwon, Ahu and Malon Islands; Ewal, Kulinge and Anun Islands; and Patali Island. Each section is referred to by the name of the island on which a copra drier is located, that is, Lenjenning, Tiombwon, Ewal and Patali. A group under the control of a foreman who is elected annually works the copra from each section. The four foremen and the plantation manager constitute the plantation committee. With more labour than work available, an important disciplinary restraint, the work groups are changed regularly to give the whole workforce an opportunity to produce copra. In 1963 with 91 male labourers available, groups of approximately 9 workers (1 foreman, 2 firemen and 6 labourers) were changed every three months (Crocombe 1965:11), whereas in 1968 with 81 male labourers available, groups of approximately 11 workers including a foreman were changed every six months.¹

The men working Lenjenning and Malon Islands live in the village on M'buke Island and go to the plantation each day; workers on the more distant islands return to the village only at weekends, or in the case of workers on Patali, return even less often. Although the allocation of workers to work groups appears random in relation to the seven M'buke clans, the absence of a significant number (about 20 per cent) of the workforce during the week and a small number (a further 10 per cent) for much longer periods means that both formal and informal control of the groups becomes extremely difficult, creating at least potential leadership problems. The problems which may arise from the division into work groups are likely to be aggravated by each group staying together for six months instead of, as before, three months.

Workers are paid according to the quantities they gather, as in group gathering on Langandrowa; they gather and husk the coconuts and cart them to one of the four copra driers. The quantity gathered by each

¹ The decline in the working population appears largely the result of a decline in the number of younger people working on the plantation (see p.38). As well, some older men who previously worked on the plantation have obtained other employment or have dropped out of the workforce through death or illness.



Plate 1. Portion of M'buke village built over the sea, the traditional Manus (Salt Water) style. The men are catching bait for deep-sea fishing.

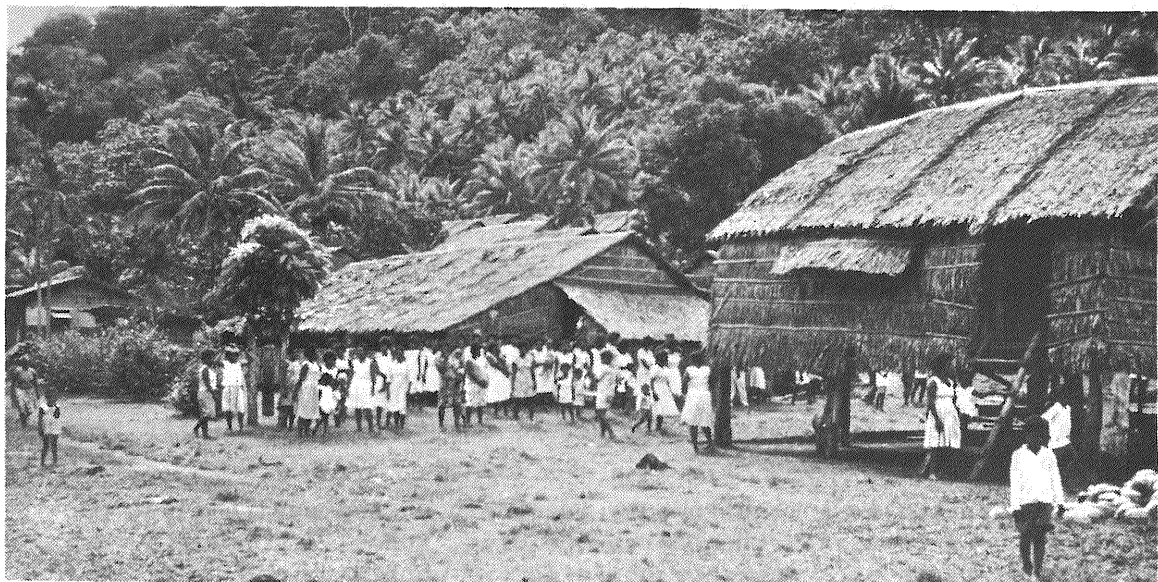


Plate 2. The congregation leaving the M'buke Paliu Church. Daily morning services are held on M'buke.

person is recorded by the foreman and then all the nuts are pooled. Either the work group pays a specialist fireman to do the smoking at the rate of 10 cents per bag, or the work group does its own and no individual is paid.¹ Although in 1969 people were dissatisfied with the price they received per lb, the method of payment provided a sufficient constraint against 'slacking' to maintain short-run production.

It was originally intended that replanting, building and repairs be carried out by the work groups, but these tasks have been neglected.

Clearing

Whereas on Langandrowa plantation clearing is not remunerated, it is on M'buke and therefore provides an opportunity for men and women who are not then employed in copra work groups to earn money. The co-operative allocates a certain sum for clearing on each island and this is divided equally among those who do it. Until 1966 Edgell and Whiteley's practice of clearing the plantation three times a year was followed, but it was then reduced to twice a year, thus lessening the strain of high direct costs on the society. In 1968 the expenditure on clearing was \$820 compared with \$1,080 in 1963 (Crocombe 1965:41).² However, the amount paid to outside contract labour for clearing has increased markedly; in 1963 the Usiai people (originally from the interior of Manus Island) received \$90 for contract labour, but in 1968 they received \$238. This employment of outsiders is due rather to the lack of motivation among the M'buke than to a decline in the size of the workforce. For example, it would take the forty male workers who at any one time are not gathering copra 66 days to clear the plantation,³ leaving 234 days to meet non-plantation work requirements and subsistence needs.⁴ Ample time is therefore available for clearing.

¹ In 1963 each work group except the one on Patali Island employed two specialist firemen (Crocombe 1965:11).

² I have not tried to estimate what rate of clearing would be most economical.

³ This estimate was obtained from Nabor, the plantation manager from 1962 to 1967.

⁴ Non-plantation work requirements include both communal village projects such as repairing the church building, school and toilets, and individual tasks such as canoe building and gathering the small amount of private copra from Sululau and Silemon Islands which are outside the plantation. Subsistence needs largely constitute fishing for consumption and bartering on mainland Manus. A few people have subsistence gardens, and pawpaws, breadfruit, mangoes and galip nuts are grown on M'buke Island to provide supplementary food.

The Mbuke Co-operative Society Ltd¹

At the time of my field work, the M'buke were members of the Mbuke Co-operative Society Ltd which owned and ran the plantation.² Until the loan from the Native Loans Board was repaid in January 1966, the people were prepared to accept a purchase price for their copra considerably lower than the gross price paid by the Copra Marketing Board (see Table 1.1). This 'low' price was accepted in anticipation of 'high' cash returns once the plantation was owned by the M'buke. Immediately the debt was repaid, they raised the purchase price of copra from 2.68 to 4.84 cents per lb. (This rise was 0.91 cents per lb greater than the cess previously deducted to pay off the Native Loans Board loan.) Considering the production of the plantation and copra selling prices, the rise was unrealistic.³ Not until the visit of the co-operative officer in September 1966 was the price lowered to 3.16 cents per lb. (Administration officers supervised the running of the co-operative and an officer visited twice a year to complete six-month balance sheets and to advise the directors.)

The people were dissatisfied because they felt their returns were too low relative to the gross receipts received by the co-operative.

¹ In March 1968 the registered name of the society was changed from the M'buke Native Society Limited to the Mbuke Co-operative Society Ltd. The earlier name and the two co-operatives which replaced the Mbuke Co-operative Society Ltd (see the following note) used the spelling 'M'buke', which is that used in the 1968 village directory (Department of District Administration 1968:125) and throughout this Bulletin.

² In September 1969 the Mbuke Co-operative Society Ltd was liquidated and was replaced by separate co-operatives for the plantation and tradestore, the M'buke Co-operative Plantation Ltd and the M'buke Consumer Co-operative Ltd.

³ Consider the following hypothetical case: a constant Copra Marketing Board price of \$144 per ton (the average price estimated from Table 1.1 for 1966 to 1968 inclusive) and a production of 67 tons (the estimated average annual production for 1966 to 1968 inclusive). If the co-operative purchased copra at 4.84 cents per lb for a year, \$2,401 would be left. This is insufficient to cover the following estimated expenses (I have excluded a depreciation allowance for buildings because of insufficient data to value them):

	\$
Commission (for 1966 to 1968 inclusive, approximately 5% of copra sales)	482
Wages (estimated at \$1,302 for 1968)	1,000
Freight at \$11.20 per ton	750
Bags, twine and paint at \$8.04 per ton	539
	2,771

They did not fully understand what happened to the margin between the Copra Marketing Board price and the co-operative purchase price. Some M'buke sold copra gathered from the Purdy Islands direct to the Board,¹ and these sales appeared to give twice the return of sales to the co-operative. (They did not count their labour and canoe transport costs, they did not meet any of the fixed costs involved in the running of the plantation, and they did not have to accumulate capital for its future operation.) The M'buke therefore asked why the society could not pay 'big money'² like the Board.

Despite their discontent the co-operative officer kept the purchase price of copra at a little over 3 cents per lb up to mid-1968. He maintained this was a reasonable price for a society with an adequate capital position,³ but it was too high to provide sufficient surplus to the M'buke society.³ Consequently bonus shares instead of rebates were issued.⁴ The reason for issuing bonus shares was not understood; it merely frustrated the M'buke, providing no substitute for a cash return. The copra adjustment granted annually by the Copra Marketing Board was a source of further misunderstanding and discontent. The adjustment appears in the society's profit and loss accounts as non-operating income for the period in which it is received. In the 1967 financial year the adjustment enabled the co-operative to avert a net loss. (The adjustment was \$3,221, while the net surplus to the society was \$2,206.) The people believed that the society simply 'robbed' them of the adjustment; they considered also that the adjustment was the same as a co-operative rebate, and therefore they could not understand why the society did not pay rebates.

To many M'buke people, Langandrowa has demonstrated what can be done without a co-operative. Although Langandrowa is sixty miles away there is fairly close contact between the Mouk and M'buke communities; both belong to the same ethnic and linguistic group and some people are related through marriage. The Mouk's frank enthusiasm for their own

¹ Until 1968 when an expatriate obtained a lease over the Purdy Islands, some M'buke visited these regularly to gather copra and turtles. The copra was processed there and was taken by canoe direct to the agent in Lorengau. (As the M'buke plantation was the property of the co-operative, all copra gathered on it had to be sold through the co-operative society, while copra gathered outside it could be sold direct to the Copra Marketing Board.)

² This term is used to describe gross receipts from the Board.

³ Net surplus of the co-operative society for the following financial years (ending 31 March) was: \$712 in 1964, \$597 in 1965, \$686 in 1966, \$2,206 in 1967, \$2,017 in 1968 and \$4,033 in 1969 (Registrar of Co-operative's files, CR 21.8.13 parts 1 and 2).

⁴ Co-operative societies can accumulate capital by issuing part of their profits as bonus shares.



Plate 3. Portion of M'buke village built on land. The large canoe in the foreground is typical of the canoes that were used for transporting copra from the Purdy Islands.

business and their material assets make them appear conspicuously successful to the M'buke, who believe the Mouk are able to acquire material assets simply because 'they obtain the copra adjustment'. The M'buke do not perceive that the Mouk receive far less per unit of copra gathered, and that Langandrowa supports a smaller population (269 people compared with 460 on M'buke) and is both easier to work (one large island compared with a chain of small islands) and agronomically superior.

Five Administration co-operative officers worked at different times in the Manus District between 1963 and 1968 and the M'buke claimed that each officer gave different advice and different reasons for the failure of the co-operative to meet their cash demands. Consequently they had lost faith in what any officer told them. It is unlikely that the co-operative officer was merely a scapegoat, for the M'buke did not accuse him of 'pocketing' their money; instead, they were discontented with their society.¹

¹ In contrast, one reason given by the Mouk people for not desiring a co-operative was the 'corruption and laziness' of co-operative officers.

Moreover, the five-year plan for the years 1968-69 to 1972-73 (Territory of Papua and New Guinea 1968) has been misconstrued at the village level. The M'buke people believe that at the end of this period an abundance of consumer goods will become available and they are trying to obtain as much cash as possible in order to buy these.¹ This reasoning has reinforced their demand for high immediate cash returns.

By early 1969 the M'buke felt that even though they were the members and directors of the co-operative,² they themselves did not own the plantation. Instead the co-operative owned it, and this appeared to them to be run from outside (for example, their requests for rebates had been refused). Because they felt they did not own the business, they wished to exploit it merely as a means of immediate cash.³ On M'buke, in contrast to Langandrowa, no significant replanting has been carried out; only where old trees have fallen have they been replaced. The co-operative relied unsuccessfully on a 3 cents per tree incentive payment to encourage individuals to replant. Though 3 cents proved too small, the co-operative was not prepared to allocate any more of its scarce resources to long-term investment such as replanting. One solution would be for work groups to replant trees as part of the work structure, but the whole community's non-identification with the co-operative prevented this. The attitude has been: 'The society owns the plantation, if it wants the M'buke people to replant the plantation, it must pay them enough.'

To many M'buke the only people who benefited from the co-operative were the elected directors who received a cash honoraria. The honoraria paid between 1963 and 1969 are shown in Table 2.1. Directors were chosen not for their competence but by rotation of members to ensure as many as possible had a turn; consequently management was poor. In September 1967 a meeting was held to elect the board of directors, and a motion was passed that anyone who had previously been a member of the board was ineligible for election. When the co-operative officer visited two weeks later this motion was rescinded and re-elections held.

¹ The plan has been well publicised on Administration radio in English and Pidgin English, and Paliu Maloat has also spoken about it. But both sources of information appear to have been misinterpreted. Paliu indicated (personal communication, January 1969) that he advocated social and economic development through investment, that is, replanting and newly planting coconut palms (which the M'buke are not doing), and through increased support for the co-operative movement.

² The directors comprised a chairman, a secretary-treasurer and seven others, all elected annually.

³ Due consideration is given to the fact that people with a small cash income will have a strong preference for immediate cash.

Nevertheless only one of the previous plantation committee members was re-elected and four of the nine directors elected had not previously held any office (see Table 2.4). At this meeting the management structure was altered; the plantation committee and the co-operative board were amalgamated, and the four plantation foremen and the manager then constituted five of the nine directors. (It was claimed that previously the directors had had nothing to do and now they could work on the plantation.)

Table 2.1

Cash honoraria of co-operative officials, 1963-69

Year	Chairman \$	Each other director \$
1963-64	-	-
1964-65	36	3.00
1965-66	48	14.60
1966-67	36	20.00
1967-68	96	4.00
1968-69	96	?

Source: Minutes of the Mbuke Co-operative Society Ltd.

In 1966 the Lands Department recommended that a ninety-nine year lease over the nearby Purdy Islands be granted to the Mbuke Co-operative Society. This would have meant increased income for the M'buke people as half of the islands' 130 acres were planted with coconut palms; however, the society failed to take up the lease. Approximately \$3,000 in additional share capital would have had to be raised by the society to fulfil the conditions of the lease,¹ and the people were not prepared to make the personal income sacrifices to allow this, partly because the co-operative was to have leased the islands.² They also considered

¹ These conditions were: a purchase price for the coconut palms of \$3,170; an initial payment of \$191.50 with annual payments of \$40 plus 4 per cent interest; and rent of \$21.50 per annum.

² When applications were again called for the islands early in 1968, the M'buke local government councillor lodged an application on behalf of the 'M'buke people', indicating that they may have been prepared to make income sacrifices if the co-operative was not to become the lessee. A retired expatriate naval officer obtained the lease but as the M'buke people believe he will not succeed, they are unconcerned and expect to return and collect copra when he departs.

that the Purdy Islands were rightfully theirs (Crocombe 1965:66) and therefore they should not have to lease or buy them.

As the co-operative was felt to have brought economic injustice, by early 1969 some people wanted the plantation to be returned to the 'people' (that is, the society to give up ownership), or they wished to be able to choose between selling their copra through the society or directly to the Copra Marketing Board. (This would also have meant termination of the society's ownership for all copra on the plantation was owned by the society and had to be sold through it.) In 1968 a majority seemed to feel the co-operative should retain ownership of the plantation, but the reasons for this were vague, either because they or Paliau thought it 'best'.

It is important to consider the attitudes of the plantation manager, the co-operative chairman and the local government councillor towards the co-operative for they appeared to affect the attitudes held by the M'buke people generally. The manager and chairman, who did not appear to understand the financial operation of the society, believed it looked after the welfare of the people, and that direct sale of copra to the Copra Marketing Board would unfairly favour the young and strong. But they insisted the society must pay rebates. The councillor, who was elected towards the end of 1968, had until then been chairman of the Manus Native Societies Association; he admired Paliau and therefore supported the co-operative. As chairman of that association he had learnt about business management but when he lived in Lorengau he could not influence the M'buke people very much; with his election as councillor he moved to M'buke, and his influence may have increased. The opponents of the society's ownership were very strong in 1968-69 and it then seemed unlikely that the co-operative would be able to satisfy their demands. If these demands are not substantially satisfied it is possible sufficient support may be obtained to force the society to relinquish ownership of the plantation. This would require a two-thirds vote of the members and the approval of the Registrar of Co-operatives. The possible consequences of such a step are very important.¹

Traditional land claims and kinship

The society depends on group co-operation on traditional land, but an alternative possibility was for the co-operative to have distributed the land in accordance with traditional land rights, the co-operative remaining the legal owner, while management and work organisation were based on tradition and kinship relationships. Differences in human fertility over time have meant that any distribution of land based on traditional land rights would be highly inequitable (Crocombe 1965:29); so that even if only the use of land was determined by kinship, intense

¹ See pp.37-8.

animosities adversely affecting productivity could result. Crocombe (1965:29) suggested that in the future traditional land claims could prove a threat to the co-operative but up to early 1969 this had not occurred.¹ This may be partly because the Paliau Movement, by causing such a sudden and extensive break with the past, greatly undermined the importance of many traditional kinship patterns. More significantly, the M'buke people recognise that inequalities and problems would result from such proprietary or even usufructuary rights being claimed. Table 2.2 shows the imbalance between the number of adults in each clan and the area of land claimed traditionally. The amount contributed by each clan to purchase the plantation is related roughly to the number of adult members and not to the area claimed.

Kinship is nevertheless important in the functioning of the plantation. Of the money used to buy the plantation, \$1,891 was borrowed from funds accumulated by the seven M'buke clans (see Table 2.2). Each clan worked as a group for a six-month period on the plantation in order to re-obtain the money it had lent. This was called 'work family' and was carried out between June 1967 and June 1968. No individual incentives were paid, and all nuts were pooled and all proceeds from copra went into the family funds. (Pooling means the incentive of prestige in having the largest pile is also absent.) Families were allocated randomly to the four work sections of the plantation rather than to the islands which they claimed traditionally. Although work was carried out in family groups, friction did arise from the absence of individual incentives (for example, younger men claimed that the older men slacked) and production per head appeared to decline (see Table 2.3). However, this assumption is based solely on the figures kept by the foreman on Lenjenning Island; no figures were available for the other islands.

¹ Crocombe (1965:30) showed also that 'the recognition of earlier land ties is reflected in the appointment of men of authority on the plantation', and he cited in particular the case of Charopwe who was appointed as the committee member (foreman) for Patali where he claims traditional land rights. Contrary to the informal rules of the co-operative, he erected a permanent house there. However, he remained as foreman on Patali only until September 1966 and in 1968 he worked on Lenjenning Island during work family (in Chakumai's family group); he later returned to Patali, but not as the foreman. (The appointed foreman had no traditional connection with Patali Island.)

Table 2.2

'Work family', June 1967 to June 1968

Clan or family	Head or leader	No. of adult members on M'buke* (approximate)	Proportion of total %	Islands claimed traditionally	Area of land claimed traditionally** acres	Proportion of total %	Islands worked during work family	Amount contributed to purchase of the plantation \$	Proportion of total %
Talilae	Nabor	29	16	Pokali*** Kulinge (Kolipalon)†	58	17	Lenjenning	322.00	17
Chanan	Kulapo	32	18	Lompol Ahu (Laichei)	104	30	Malon Ahu Tiombwon	269.00	14
Karaat	Ponowan	17	10	Popokei	25	7	Malon Ahu Tiombwon	217.10	11.5
Talimalaghli	Noan	12	7	Malon Tiombwon (Kolemboi)	27	8	Patali	160.00	8.5
Chalim	Malikes	27	15	Anun	19	5	Ewal Kulinge Anun	187.10	10
Korompoen	Chalka	25	14	Ewal	68	20	Ewal Kulinge Anun	343.10	18
Sopia	Chakumai	36	20	Patali	44	13	Lenjenning	393.00	21
Total		178	100		345	100		1,891.30	100

* This number is estimated from the number working in each family group. As all adult males except the very old, and 50 per cent of the adult females, participated, it is assumed the family groups comprised 75 per cent of the adult population. The approximate number of adult members is therefore obtained by multiplying the number in each family group by 4/3.

** Approximately 65 per cent of the total area of 345 acres is planted (Crocombe 1965:41).

*** Lenjenning Island is divided traditionally into three sections: Pokali, Popokei and Lompol.

† Kolipalon, Laichei and Kolemboi are part of the Purdy Islands. However, Purdy Islands land claims are not included in the areas of land given.

Table 2.3

Breakdown of production on Lenjenning Island, 1963-68
(smoked bags)

Work period*	Production per period	Production per week	No. of workers**	Production per worker per week
18.12.63-18. 2.64	72	8.1	10.5	.77
18. 2.64-13. 4.64	83	10.8	12.0	.90
13. 4.64- 4.10.64	86	3.5	10.5	.33
4.10.64-28. 2.65	77	3.7	10.5	.35
28. 2.65-14. 8.65	122	5.1	12.0	.43
14. 8.65- 2. 1.66	153	7.6	12.0	.63
2. 1.66-21. 7.66	126	4.4	16.5	.27
21. 7.66- 7. 1.67	168	6.9	12.0	.58
7. 1.67-26.11.67***	160	3.5	22.5	.16
26.11.67-20. 6.68 [‡]	152	5.2	25.5	.20
20. 6.68- 1.12.68	155	6.6	13.5	.49

Source: Figures kept by the foreman on Lenjenning Island.

* As it is difficult to determine when a work period began, it is assumed (probably unrealistically) that each period starts at the time the previous period ends.

** Only the men who worked are recorded by the foreman. I have assumed (on the basis of conversation only) that for every man who works half a woman works.

*** This was the period Nabor's family worked. It appears an exceptionally long work period but the Lenjenning records indicate that very little copra was produced during early 1968.

[‡] Chakumai's family worked.

Leadership and management

The leadership pattern on M'buke differs significantly from that on Langandrowa, for on M'buke there is a wide distribution of leadership roles. The M'buke people emphasise individual action but take precautions not to allow any individual too much power in the community. In 1963 no individual held more than one formal elective leadership position (Crocombe 1965:43); in 1968 the manager and plantation foremen were also directors of the society, but the local government councillor, the three lay preachers and the members of the school committee and of the council committee (the latter comprising three men and two women) had no second formal role. Therefore most able-bodied men aged 35-50 years served in one office. People are elected to most formal leadership positions and at least for co-operative and plantation positions elections are held annually; with a few exceptions there is a high turnover of personnel (see Table 2.4).

Table 2.4

Personnel in managerial roles, M'buke plantation, 1962-69*

Position	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69
Co-operative board							
Chairman	Pakob	Pakob	Chakumai	Chakumai	Chakumai	Ponowan	Ponowan
Secretary-treasurer	Manus	John	Manus	Manus	Manus	Manus	Manus
Director	Poliap	Poliap	Poliap	Poliap	Poliap	Nabor	Pakop
Director	Maton	Maton	Maton	Maton	Maton	Poliap	Poliap
Director	Chawanin	Chawanin	Salaiau	Poliap	Pomat	Manuai	Pokiton
Director	Kaluin	Kaluin	Kaluin	Asungkau	Asungkau	Pomatou	Popeu
Director	Paliau	Paliau	Paliau	Paliau	Paliau	Pankila	Pomaton
Director	Posalak	Posalak	Posalak	Ponar	Ponar	Pokanau	Litau
Director	-	-	-	-	-	Popau	Pokanau
Delegate to Manus Native Societis Association							
	Poliap K.	Poliap K.	Poliap K.	Poliap K.	Poliap K.	Poliap K.	Poliap K.
Plantation committee							
Manager	Nabor	Nabor	Nabor	Nabor	Nabor	Nabor	Pakop
Member for Lenjenning	Pouru	Pouru	Pouru	Charawin	Alibiet	Pomatou	Pokiton
Member for Tiombwon	Seleiau	Ponowan	Seleiau	Ponowan	Ponowan	Pankila	Popeu
Member for Ewal	Chauka	Chauka	Chauka	Kichawin	Kichawin	Popau	Pomaton
Member for Patali	Kiliui	Charopwe	Charopwe	Charopwe	Popau P.	Pokanau	Litau
Copra inspectors**							
	Maton	Maton	Maton	Maton	Popau	Pokanau	Pokanau
	Paliau	Paliau	Paliau	Paliau			Litau
Store clerk***							
		Matankiau	Matankiau	Matankiau	Matankiau	Matankiau	Manus
Local government councillor							
	Bernard	Bernard	Bernard	Bernard	Bernard	Bernard	Poliap K.

* Personnel for years 1962-63 and 1963-64 were obtained from Crocombe (1965:42).

** Appointed by the directors from among themselves except Popau (elected in 1966-67) who was not a director.

*** Appointed by the directors.

To consider the effect of this pattern of leadership it is important to examine the criteria that may be used in electing leaders. Crocombe (1965:60) suggested the following:

personal qualities of integrity and ability to negotiate, with priority being given to those with most non-traditional experience, those in the higher age groups (but must be still physically active) and those who have traditional claims to leadership by criteria of descent.

These are still relevant, but two other factors, the effect of M'buke attitudes towards the business institution and the influence of local political leaders, also warrant consideration. As discontent with the business institution affected the selection of directors of the society,¹ it is not unreasonable to suspect it also distorted the selection of people for other positions. Paliau's dislike for certain individuals may have affected the allocation in 1968 of important leadership roles such as plantation manager and local government councillor.² It is therefore likely that although some of the people controlling the business possessed managerial ability and experience, these qualities did not determine their appointments to these positions.

A widespread distribution of leadership roles and a relatively rapid turnover of personnel means potentially a wider section of the population obtains managerial experience. Consequently the enterprise does become so dependent on key individuals as is the case on Langandrowa. But in the short run it means entrepreneurial ability, which is a scarce resource, is not most effectively utilised. As all management is elected annually there exists some check on management to act in the interests of the people. Although theoretically this is of value, what individuals on M'buke plantation feel is in their interest in reality may not be so.

Future possibilities

One possibility is the co-operative relinquishing ownership of the plantation. In January 1969 the co-operative officials felt that after

¹ Crocombe (1965:61) ranks the society directors in middle category leadership roles.

² This speculation arises from two incidents. First, Nabor, who had been the manager of the plantation since 1962 and who traditionally and effectively was the leader of the M'buke people, was replaced in 1968 by Pakop and after this he appeared to play little part in M'buke affairs. Just prior to this Nabor had clashed openly with Paliau, speaking out against him. Secondly, the man who had been local government councillor for M'buke for twelve years prior to his overwhelming defeat in the 1968 council elections, appears also to have been openly rebuked by Paliau; however, he had taken an anti-Paliau stand prior to 1968.

'paying all debtors' (the Manus Co-operative Association Ltd), it would be a mere formality for the M'buke people to re-obtain the plantation. Even if the M'buke re-obtained the plantation, no concrete proposals have been made for changes in running it.

It is unlikely that the plantation would be divided on traditional kinship lines. Most people opposed to the formal co-operative society were in favour of some vague form of group organisation, although a few maintained that 'Europeans can work together and thus co-operatives are all right for them but they are no good for native people because they can't work together'. Any other sort of business institution would inherit the capital problems of the present co-operative but how it would handle these problems is mere speculation. It is possible that if an organisation was established whose operation and problems the people could understand better they might be prepared to accept lower cash returns. But as they are already dissatisfied with their low returns, initially these would probably rise and unless checked the capital position of the business would deteriorate. There would probably be no check without strong centralised leadership and individuals with business experience like the store clerk on Langandrowa, and without the control and supervision of Administration co-operative officers.

Another possibility is a shortage of labour. Between 1963 and 1968 the number of available male labourers on M'buke declined from 91 to 81, mainly because few young people sought employment on the plantation. Of a sample of twenty-five eldest sons of plantation workers, only one worked on the plantation. Twelve were working outside the M'buke Islands and the other twelve were still at school. A relatively large labour force is essential on a plantation such as M'buke where effective mechanisation is not feasible. M'buke is no more likely than Langandrowa to successfully develop other enterprises.¹

¹ See p.19.

Chapter 3

A comparative analysis

As it is the Administration's policy and practice to promote indigenous agriculture on the basis of peasant proprietorship (Crocombe 1965:35),¹ the performance of these two ventures and the contribution of their corporate nature should be analysed closely. However, although this study hopes to increase the understanding of corporate enterprises in general, it is primarily concerned with the special case of indigenous takeover of established expatriate plantations, in which case cash returns are available almost immediately.

Table 3.1

Copra production under expatriate and indigenous possession, Langandrowa and M'buke

Average annual production	Langandrowa		M'buke	
	Period	Tons	Period	Tons
Under expatriate possession	1960-64	19*	1951-52 to 1961-62	64.5**
Under indigenous group possession	1968	175***	1963-68	67.6

* Personal communication: F.J. Jacobsen, January 1969. This figure is so low because first, the plantation was visited only twice a year to gather nuts; secondly, it was never cleared, so that nuts were lost in the undergrowth and tall trees competed for the moisture and so reduced the nut yield; thirdly, the plantation was not supervised so that people could take nuts and sell or use them.

** This figure is given in Crocombe (1965:17).

*** Only the figure for 1968 is given as production during the previous years was atypical.

¹ It should be noted that until the early 1960s indigenous takeover of existing plantations was not considered.

Table 3.2 shows copra production on Langandrowa and M'buke from 1963 to 1968. Although differences in physical conditions between the plantations make comparison difficult, the figures are still significant.

Table 3.2

Copra production on Langandrowa and M'buke, 1963-68
(tons)

Year	Langandrowa plantation*		Total	M'buke plantation**
	Private gathering	Group gathering		
1963				52
1964				66
1965		50	50	81
1966		48	48	67
1967	19	86	105	70
1968	75	100	175	48.10***

* These figures are estimated basically from Copra Marketing Board records but until March 1968 all copra was sold on one copra marketing number. Thus privately gathered copra sold through the tradestore and group gathered copra are not separated. As well, the Copra Marketing Board records are complete only to September 1968; the plantation clerk's journal and the tradestore copra purchases book have been used to supplement these. In both 1967 and 1968 four tons of copra gathered privately outside Langandrowa plantation by non-Mouk was sold through the tradestore. Four tons has therefore been subtracted from the quantity given by the Copra Marketing Board records.

** Only copra produced on the plantation is sold on the plantation Copra Marketing Board number so that these production figures are derived directly from the Marketing Board.

*** This figure is for the period January to September only.

Table 3.3 indicates that production on both plantations is very much higher than the indigenous average; however, most indigenous production comes from small village plantings and not from commercial plantations. On Langandrowa total production is comparable with the average for non-indigenous plantations, but the production per head is significantly lower; this may indicate non-indigenous production levels are maintained where labour intensity is high. As both plantations, unlike expatriate-owned plantations, have a permanent workforce, efficiency is not reduced while new workers learn plantation skills.

Table 3.4 shows that the two plantations have provided the people with a cash income higher than they could previously obtain, as outside work opportunities are limited to a few unskilled positions on expatriate

Table 3.3

Comparison of copra production on Langandrowa and M'buke with
the average for Papua New Guinea
(tons)

	Langandrowa 1967-68*	M'buke 1963-68**	Average indigenous production		Average non- indigenous production, Papua New Guinea 1967-68
			Manus District 1967-68	Papua New Guinea 1967-68	
Production per worker	3.11	0.68	-	-	6.25
Production per bearing acre	0.64	0.30	0.25***	0.18 [‡]	0.5 ^{‡‡}
Acres per worker	4.89	4.54 ^{‡‡‡}	-	-	12.5 [∅]

* Only the 1967-68 figures have been used as production for 1965-66 was atypical. The average production in 1967-68 was 140 tons, the number of workers was 45, and the area of bearing acres was 220.

** Total annual production was 67.6 tons, the number of workers each year was 99, and the area of bearing acres was 225.

*** This figure is derived from Department of Agriculture, Stock and Fisheries (1969:19-20).

[‡] This figure is derived from Department of Agriculture, Stock and Fisheries (1969:16-17).

^{‡‡} The average yield per acre for non-indigenous copra plantations was estimated to be 0.37 tons in 1967-68 (Bureau of Statistics 1969:5) but this figure takes into account abandoned plantations and those not in full operation. Consequently for plantations under full production a figure of 0.5 tons per acre was estimated. Production per head on non-indigenous copra plantations ranges from 1.1 tons per acre on Karkar Island (Crocombe 1962 field notes; personal communication, Mr Barnett, May 1969) to under 0.3 tons per acre in other areas including the Manus District (Bureau of Statistics 1969:5).

^{‡‡‡} This figure is based on the assumption that workers spend only six months per year on the plantation.

[∅] A proportion of one man per 10 to 15 acres is given in International Bank for Reconstruction and Development (1965:85). I have assumed the mean figure for 1967-68.

plantations. Moreover, the per capita income of the Mouk prior to obtaining Langandrowa appears to have been considerably lower than that of the M'buke people before they obtained their plantation. For a worker on M'buke or Langandrowa in 1968, the cash value of his

Table 3.4

Comparison of average annual returns to male workers on
Langandrowa and M'buke with the cash value of the rural
minimum wage in Papua New Guinea
(\\$)

Mouk 1947-65*	-
Langandrowa 1968**	203
M'buke 1951-61***	25
M'buke 1961-68 [‡]	66
Approximate rural minimum wage, 1968 ^{‡‡}	225

* The Mouk people did not have any regular income before they obtained Langandrowa plantation. A few people worked at various times on F.J. Jacobsen's plantations and small returns came from selling coconuts from the Tilliano Islands and Mouk Island.

** Only the figure for 1968 is given as the first few years of consolidation are atypical (Table 1.5 shows how this figure is derived). The male workforce is assumed to number 45, which is the number of work units.

*** The M'buke people were employed by Edgell and Whiteley during this period at a contract rate for gathering and smoking of approximately \$36 per ton. In 1963, 25 per cent of the total population, 107 out of 432 (Crocombe 1965:15), were male workers, and I have assumed the same proportion for 1955, when the total population was 376 (Crocombe 1965:8). This gives 94 working males. The average number of working males during the period 1951-61 is assumed to be 94.

[‡] This figure is based on a production of 70 tons per annum, a price of 3.5 cents per lb and wages of \$1,000 per annum. The average annual number of working males is assumed to be 99, which is the average of the number of working males in 1963 and 1968 (107 and 91 respectively).

^{‡‡} This figure is given in Langmore (1971:57-8). The minimum rural wage is a 'cash and kind' wage paid to plantation workers for a 44-hour week, laid down under the Native Employment Ordinance 1958-1968. In March 1971 the cash value of the minimum wage rose from approximately \$4.50 to \$5.90 per week.

subsistence production in addition to his cash income from the communal enterprise is likely to have been more than the cash value of a plantation worker's wage. In the case of the Mouk people, the corporate enterprise has not only provided them with a relatively high personal income, but it has also facilitated the acquisition of community-owned assets which have benefited individuals.

In terms of these relative criteria of performance, to date both plantations, particularly Langandrowa,¹ have been remarkably successful. Because of reinvestment the relatively high income from copra received by individuals on Langandrowa will be maintained or possibly increased, while on M'buke deficient reinvestment and a smaller surplus may mean it will decrease. During 1968 the proportion of net profits to gross copra sales on both plantations was comparable (approximately 43 per cent for M'buke and 51 per cent for Langandrowa),² but the absolute profit was much higher on Langandrowa (nearly \$13,000 compared with \$4,000 on M'buke). On both plantations the trees are approaching the end of their economic life but significant replacement has occurred only on Langandrowa at the rate of 10 per cent per annum. However, the success of both plantations up to 1969 is particularly important when, in terms of productivity, indigenous copra enterprises have tended to be unsuccessful.

There is still much to be learnt about the interaction of the cultural, social, institutional and psychological factors which affect the performance of corporate enterprises. Yet it is hoped that this study combined with the few similar studies undertaken will help to identify the problems such enterprises may face and possibly help to identify prerequisites for successful corporate landholding.³ Crocombe (1971b) claims that although many social prerequisites in the Pacific may appear obvious, it has been through the misunderstanding of them that many reform programmes have failed.

Crocombe (1965:37) suggests that on M'buke the small size and homogeneous nature of the community reduces the likelihood of internal factions.⁴ It is significant that the Mouk community is similar in nature. In both cases the Paliu Movement seems to have created a new ideology, thus providing at least a precondition for the replacement of traditional sanctions with ones suitable for the new corporate structure and of traditional leaders with those more likely to be effective in initiating commercial enterprises.

¹ Due consideration is given to the fact that Langandrowa is a technically superior plantation supporting a smaller population.

² The 1968 financial year was taken for M'buke because of the way in which co-operative accounts are kept.

³ Similar studies include Crocombe (1964 and 1965), Crocombe and Hogbin (1963), and Finney (1968).

⁴ In contrast, an example of the extremely adverse effect of imposed external grouping can be seen in communal cash cropping among the Orokaiva people of the Northern District after World War I. The government purchased land and allocated it to a village or a group of villages for coconut, rubber and citrus trees to be planted. Production was adversely affected because the people were unaccustomed to work in large groups under unified leadership (see Crocombe 1964:4 ff.).

The study has shown forces which create group unity and provide motivation for individuals and the group as a whole. The Mouk experience suggests that tightly knit communities are created as much by people outside them as the people within. Among the M'buke, who were not subjected to external hostility, high group motivation appears to have existed only when a tangible, clearly defined goal existed, to pay off the loan to the Native Loans Board.¹

The attitude of people to their business institution to a large extent determines how much individuals try to exploit it. From this study it is clear that people identified themselves with their business institution only when they felt they controlled it, understood its functioning, and benefited materially from it. The M'buke experience shows the dissatisfaction which arises when unrealistically high expectations due to lack of understanding of the capabilities, requirements and functioning of a co-operative business are not met. Even in the most highly motivated community, however, some incentive must exist to discriminate 'slackers' from 'workers'.

Although these enterprises depend on co-operation, the importance of strong and effective leadership is clear. It was particularly important in acquiring and running the plantations that both Lukas of Mouk and Nabor of M'buke had had extensive outside experience. However, on M'buke the leaders have not sufficiently understood the problems and requirements of the business and they have not anyway had enough power to introduce appropriate policies. The day-to-day functioning of both plantations has been very smooth, probably partly because in both groups, especially among the M'buke, there were individuals who had had extensive experience as plantation labourers.

Such plantations have the greatest potential when they are not fragmented. Unity facilitates, if the group functions effectively, the adoption of production methods of large-scale commercial plantations. The business institution is more complicated than small peasant proprietorship but where technical knowledge and entrepreneurial ability are limited a corporate organisation can more effectively utilise them. A corporate group can also provide the capital needed to purchase a plantation (as on M'buke), and this is very important in Papua New Guinea where the supply of capital to indigenous entrepreneurs is so limited. Provided the plantation is sufficiently productive and individuals' cash demands can be controlled, group ownership provides an effective means to accumulate and utilise capital, as on Langandrowa. The loss of production in normal village holdings and peasant-type

¹ A similar phenomenon was observed in French Polynesia with the Maiao Co-operative. Here a desperate need for a boat led to a large increase in the co-operative copra production after thirty years of very low yields (Finney 1968:80-2).

resettlements through sickness, social crises, and the meeting of subsistence needs by the individual owners, is to a large extent avoided in a corporate organisation. For the absent worker can be replaced or even if he is not replaced his marginal production is likely to be insignificant.

The M'buke have resettled on traditional land without the assertion, by individuals or sub-groups, of superior rights or status associated with land. If corporate landholdings can successfully contain traditional land claims, the scope for them is large.¹ The replacement of a traditional landholding by a formal co-operative or a 'Langandrowa' type holding, provided that former land rights are not asserted, should mean increased production and a more equitable distribution of income.

The Langandrowa resettlement illustrates the ability of corporate enterprises to support far larger populations. The Administration allocated sixteen 'economic units' to the Mouk and had they resettled in these family units, Langandrowa would have supported a population of approximately one hundred. Although the per capita income may have been higher, under the present system the plantation is able to provide 170 more people, who had no real employment alternatives, with a relatively high cash income.

Conclusion

Assuming that Administration policy does not oppose corporate groups obtaining a plantation, the important issue becomes the type of corporate business institution to be adopted. Formal co-operative societies have become the generally accepted and established means of indigenous business participation. This study has shown a successful landholding enterprise outside the formal co-operative movement, and although the two examples in themselves do not enable a general conclusion as to which of the two types of business institution is superior, they do suggest several ways in which corporate groups can own and operate plantations.

The formal co-operative system provides a source of capital for the acquisition and operation of a commercial plantation, and also provides supervision and advice for people with little formal education and commercial experience. By joining together small-scale village enterprises, co-operatives provide them potentially with greater bargaining power and economies of size. Successful co-operatives should be able to compete with and if necessary to replace expatriate commercial enterprises in

¹ The economic performance of a number of corporate landholdings in the Pacific Islands has been adversely affected by the assertion of traditional land claims. These include corporate holdings in northern Papua (Crocombe 1964), French Polynesia (Finney 1968) and New Caledonia (Saussol 1971).

providing consumer goods and marketing and commercial facilities. Co-operatives can also provide a means of bringing together heterogeneous language and cultural groups, although in many cases village and ethnic differences are one of the greatest hindrances to their success. For example, Schwartz (1966:45) maintains that although in the Manus District institutional changes, such as the development of co-operatives and local government councils, have taken place since European contact, the Manus District people prefer to act in small village groups rather than to co-operate in larger units. Co-operatives also provide an effective means to obtain and invest savings from the rural sector. Finally, plantation ownership by co-operatives should mean a wide distribution of the economic benefits. A plantation successfully operated by an individual society would economically strengthen the parent co-operative association and thus benefit other individual co-operative societies.

Langandrowa's success outside the formal movement may be unique due to its circumstances, including the presence of exceptional individuals in the community, and it appears preferable in general for the Administration to support formal co-operatives as the business institution for corporate landholding, provided policies are flexible.

But if formal co-operatives are to succeed, great emphasis must be placed on education in business fundamentals at the village level, even if limited resources require this to be done to some extent at the expense of supervision. It can be assumed that at least in the short run lack of understanding of co-operatives at the village level will exist, and there are a number of ways to lessen this. First, co-operatives would be better able to meet high demands for immediate cash from members if plantations were leased, on conditions similar to the lease of Langandrowa, instead of being purchased outright. Secondly, a compulsory cess may be a more acceptable way to accumulate capital than issuing bonus shares, particularly if the cess is placed in a fund for specific investments.¹ Thirdly, although trained manpower is limited, it is desirable that Administration appointments be made for longer periods, for the M'buke have been bewildered by contrary advice and assistance from several officers. Fourthly, in the case of both M'buke and Langandrowa the sum granted annually for the copra adjustment has created misunderstanding and on M'buke discontent. A system of part-payments may help to overcome the problems resulting from the adjustment being granted as a lump sum.

¹ In Fiji a statutory cess of 20 per cent of gross copra sales is levied on co-operative societies. This cess is placed in the Fiji Development Fund, from which it can be withdrawn for capital investments and for consumption such as village housing.

Although formal co-operatives should generally be encouraged, in individual cases like Langandrowa an alternative organisation should be permitted. Co-operatives should be made as attractive as possible but not through creating unrealistic expectations of them, or through artificial constraints on other forms of business organisation.

Appendix

Traditional land claims to Langandrowa

This account is written largely as dictated by Molean, an eighty-four year old man (baptismal record) whose grandfather migrated from Peri to Langandrowa. In 1968 he became the lessee of one of the Lankow blocks which had been forfeited.¹

Just prior to Molean's grandfather leaving Peri, Langandrowa Island was inhabited by two Matankor groups, one known as Chel and the other related to the present Lankow people. The Chel comprised approximately one hundred people and the Lankow fifty. At this time there was continual warfare on Rambutso and the nearby islands, and many leaders including Porchean, the leader of the Chel, were tiring of it. Porchean thought that his friend Comee from Peri (Molean's grandfather) could mediate and stop much of the warfare; after a meeting with Rambutso's six leading men, Comee was asked to come and live on Langandrowa.

Molean maintains this was a time of widespread migration of Peri people and following a dispute on Peri, it was easy to persuade Comee to come to Langandrowa. Porchean built a special canoe to go and collect him. On his arrival, Comee was given an area of land which roughly included block 4 (now owned by Molean) and the northern section of the plantation. Comee's village on Langandrowa was called Palomot.

Subsequently Pokeau, a man from N'driol who had also migrated from Peri, killed Comee because of an earlier dispute. Comee's son Pondragan then became the leader. Shortly afterwards Porchean was killed by people from N'drowa, an island situated close to Peri, in a skirmish on Langandrowa. The peace between Palomot and the other two Langandrowa villages of Chel and Lankow ended with Comee and Porchean's deaths, and warfare between the combined Matankor group and the Palomot Manus broke out. Palomot village was destroyed, and the Palomot people moved to Langembulos Island just off the southern point of Langandrowa where they established a temporary village. They obtained help from a large number of Peri people or the descendants of Peri people² and the Lankow

¹ See p.3.

² Although Molean did not state it, it is possible that this group may have included Mouk people.

and Chel villages were destroyed. As the victors of Langandrowa, the Palomot villagers moved again to another small island, Mataway, on the eastern side of Langandrowa, where they established a permanent village.

At an undetermined time after this (Molean was now a young man) a group of Polot people killed a German on N'drowa plantation and later escaped to Langandrowa. A German punitive force pursued them to Mataway village, gaoled the luluai Popea¹ and ten others (not including the Polot), and burnt the village. All the villagers then fled to Rambutso. Popea was taken to Rabaul where he established his innocence and in due course was returned to Langandrowa as luluai.

Just prior to World War I negotiations were undertaken by a Japanese called Komani to purchase Langandrowa from Molean's people.² At about this time Molean's father became a luluai. A transaction took place between Komani and Molean's father and Popea for Langandrowa, which was exchanged for goods such as tomahawks, knives, tobacco and dogs' teeth. The plantation was run as a partnership between Komani and a Chinese called Hatam, who was the manager. When Komani died his share went to Naganara, a Japanese naval officer.

At the end of World War II the plantation was declared enemy property and reclaimed by the Administration. When it was found that Hatam had no heirs and he himself showed no desire to return to Langandrowa, it was leased on a short-term basis to an Australian, who, like all subsequent expatriate lessees, occasionally went to Langandrowa to gather copra but carried out no maintenance. He later sold the plantation under false pretences, representing it as a part of Salami plantation.³ After this incident it was leased successively until 1960 to two other expatriates. In 1960 the owner of Komuli plantation obtained the lease and held it until 1964.

The descendants of the original Palomot villagers include Molean and six men who live in an area known as 'public' adjacent to block 4, one man living in Lankow village, and a further eight people on Lomote Island at the northern end of Rambutso.

If this account is authentic (and there is no reason to suggest that it is not), it has one important implication. It gives Manus Salt Water people a traditional claim to Langandrowa land which, although not legally recognised, has dissuaded many Rambutso people from continuing to press claims to it.

¹ Luluai were appointed by the German Administration as headmen of their villages.

² The rest of the account is supplemented by information given by F.J. Jacobsen.

³ The production of Langandrowa was shown as part of Salami plantation production.

Paliau maintained that this account 'was not reliable and irrespective of this the rightful claimants were the descendants of the original Chel and Lankow villages'.¹ However, it is very important to note that at no time did Paliau imply that the Mouk should not be using the land.

¹ Personal communication, January 1969.

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Abstract

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In Papua New Guinea today indigenes are increasingly likely to take over expatriate-owned and leased plantations. Yet little is known about the forms of social and economic organisation created by Papua New Guineans which are most likely to contribute to high productivity. This analysis of two plantations in the Manus District concentrates on actual profit and productivity, points out several problems common to many corporate indigenous business enterprises, and suggests ways in which these might be overcome.

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