A Foucauldian analysis of development banking lending practices: a case study of the Fiji development Bank (FDB) 1967-1997

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NOTE

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CHAPTER 5: FIJIAN HISTORY: A BANKING EMPHASIS.

Quotation on the importance of 'land':

Throughout history, patterns of land ownership have shaped patterns of human relations in nearly all societies. They have also helped determine the possibility and pace of economic change. In agrarian societies, land is the primary productive asset, the tangible expression of economic and hence political power

(Eckholm, 1980, p. 55).

5.1. INTRODUCTION.

This chapter will examine the historical evolution of Fijian development banking (lending). History here is not viewed as a chain of events (Ali, 1979, 1980; Clunie, 1977; Derrick, 1946; Donnelly and Kerr, 1976; Fisk, 1970; Routledge, 1985), but rather as a series of discursive formations and historical discontinuities. This demonstrates an underlying Foucauldian (theoretical) analysis. It can be stated that there is a combination of historical events that create historical writings as part of an evolutionary process. Foucauldian (theoretical) analysis also intertwines past events into a power and knowledge interplay, which may be related to the overall implications of genealogy. The general complexity of this historical analysis will be shown to be closely embedded in the development of the Fiji economy.

This chapter also highlights the vital importance of the interrelation between the social and political impacts on the role of the environment and its effect on the overall operations of a bank such as the FDB. The bank's activities are influenced by the environment in which it operates, for example the rules and regulations set by the colonial administrators had a huge impact on the operations of the FDB.

The first part of the chapter looks at the early Fijian historical developments, the basis of which is the issue of land ownership. It can be demonstrated that from early pre-colonial times land ownership played an important role in the Fijian economy's development (Lloyd, 1982; Ali, 1980; Anderson, 1974; Burns et al., 1960; Chandra, 1981, 1983; Dorner, 1972, Overton, 1987; Routledge, 1985; Simpson, 1974; Twyford and Wright, 1965; West, 1972; Ward, 1987; Naidu, 1980). Indeed, most political struggles in the early pre-colonial era were about land.
Discussions, later in this chapter, will focus on the Fijian colonial period. Disciplinary surveillance is seen through land issues, which re-occurs time and time again. The Fijian chiefs ceded Fiji to Great Britain for the right to 200,000 acres of land and 100,000 pounds (Derrick, 1946; Donnelly and Kerr, 1976). The British administration in return provided a disciplinary surveillance to safeguard the interests of the Fijians by settling the land problems and at the same time increasing economic growth.

A Foucauldian perspective is used here to provide a picture of historical reality. Firstly, it will be applied to the different stages of the development period that led to the ultimate establishment of the FDB. Secondly, it exposes the complicated power structures that were apparent within the Fijian social structure system. This can be linked to and associated with, the agricultural land issues that played a substantial role in the FDB’s development (lending) operations. Discussion will also focus on the unique social structure system within Fijian society. It can be seen as a series of discursive formations that provide insights into the Fijian way of life including their attitude to land issues which can be traced from the pre-colonial era.

The introduction of Indian indentured labour, can be seen as another historical discontinuity within the Fijian disciplinary society where power and knowledge is clearly demonstrated. The so-called power struggle was apparent between the Fijian (owners of the land) and the Indians (indentured labourers) who were brought in by the British colonial powers to work on the land. Various mechanisms were set-up, such as the Native Land Trust Board (NLTB), to lease the lands from the Fijians to the Indians, at a price. Throughout the course of Fijian history various constitutional amendments, were made by the colonial power to: firstly, protect the Fijians and help them to remain in control of their land; secondly, to ensure that the other races (Indians and Europeans) developed the land, so that development and growth could ultimately be achieved within the Fijian context.

The establishment of the AILB can be seen as an action that provides disciplinary surveillance in relation to the growth of the agricultural and industrial sectors, and this will be discussed. The period under study will be from 1953-1966. This will highlight
the problems that were faced by this particular institution, due to increased demands on the agricultural sector. Its inability to cope with the demands ultimately led to the establishment of the FDB in 1967. This was a further disciplinary regime in the Fijian banking context.

From its establishment the FDB has played a crucial role in the development of the agricultural and industrial sectors by its banking polices, which can be viewed as disciplinary surveillance within the development banking (lending) framework. This has provided substantial growth and development, beginning to fulfill the Fijian Government's development objectives for the Fijian economy. For example, it was seen that there was a need for the establishment of the FDB because the agricultural sector was viewed by most commercial banks as unproductive and risky. They did not want to participate in the agricultural sector because they felt that this would be a hinderance to their profitability and ultimately their growth. This was the view of Fijian banking by the commercial banks in their headquarters in Australia and New Zealand. The next section will examine the beginning of the agricultural sector and its importance to the Fijian economy.

5.2. EARLY DISCOVERY STEPS OF THE FIJIAN ECONOMY.

The land issue has been a very important theme throughout the economic development of Fiji. According to the journals of seamen, traders and missionaries, the Fijians have always fought for their land rights. The Fijian oral histories, legends and dances still celebrate their victories and defeats. There are ruins of thousands of sophisticated and often huge fortifications scattered throughout the island group. Examples of the unique and highly specialised Fijian weapons show the warlike character of the Fijians about whom "...we can safely conclude that war was almost an everyday way of life in Fiji from the second half of the last century back far past the dimmest glimmerings of human memory" (Clunie, 1977, p. 1). However, eventually they sold their land to Great Britain. Much later, they gained independence and so attained their sovereign rights to their land once again.
The first European to make contact with the Fiji Islands was a Dutch navigator, Abel Tasman in the year 1643. Other navigators followed, Captain Cook in 1774, and Captain William Bligh in 1789. These explorers noted that the native Fijian people were an ethnic mix of Melanesians and Polynesians (Derrick, 1946; Donnelly and Kerr, 1976; Lloyd, 1982). It was also believed, and accepted, that Fiji was populated by successive migration waves from other islands in the Pacific.

The first migrants were believed to be Melanesian. They reached Fiji by way of the New Hebrides from the farthest point to the east and New Caledonia at the southern limit. The Polynesians followed from Tahiti and Tonga to the east. It is also believed that the Tongans strengthened the Polynesian strain (Lloyd, 1982; Donnelly and Kerr, 1976; Qalo, 1984; Ali, 1980; Chandra, 1983). What is established is that historical events are part of the discursive formations. These have provided validity to the Fijian disciplinary regime. In the long term this would provide the necessary disciplinary surveillance to the Fijian economy.

These two cultures brought with them their own traditions, such as the ‘chiefly’ or disciplinary social structure status of the leader of their tribe. It was apparent that these groups of people depended on the land for their survival. They hunted, fished and planted root crops near their habitation (Watters, 1969(b); Ward, 1987). There was, therefore, a growth of subsistence farming through the inter-cropping of, for example, dalo, kumala, cassava and yaqona. The traditional drink of the Fijian, which still provides a central focus of their ceremonial rituals, was yaqona (kava or grog). This is the national drink of Fiji. The ritual of the grog drinking ceremony in the bank can be seen as a potential means of solving power conflicts within the organisation (FDB).

One of the interviewees commented on the issue as follows:

"(p)ower conflicts if any can be ironed out around the grog bowl in an informal way, solutions are also reached and this has produced immense benefits for the bank, the grog is a traditional way of life in the bank"

(Interview Schedule, RM-1, p. 52).

It has also been established that Australian and British ships came to Fiji between 1808 and 1813 looking for trade. There was, for example, a brisk trade in sandalwood. The
Fijians received common articles such as cloth, hoops and bars, fishing hooks, tomahawks, beads and bottles in return for the sandalwood which was sold by the ship owners' in China. The supply of sandalwood was soon exhausted.

While the Fijians were criticised for their part in the barter trade for giving up so much for so little, the tools the traders gave them were valuable (not so valuable were the tobacco and liquor bartered) (Derrick, 1946; Donnelly and Kerr, 1976, Lloyd, 1982). After the supply of sandalwood ran out, the traders turned to 'beche-de-mer' (sea cucumbers) which, when dried and smoked was a delicacy in China and in other parts of Asia. This trading reached its height in the 1830's and some chiefs became very wealthy and powerful. At the same time, this also led to jealousy amongst the other chiefs. This can be viewed as a disciplinary friction encountered within the Fijian disciplinary regime, which ultimately led to wars. Christianity was established in 1840, a form of belief within the Fijian disciplinary regime that provided the Fijians with a mechanism by which conformity within the Fijian disciplinary regime could be enhanced.

The Fijian social structure, seen as a sub-disciplinary regime, ultimately provided a disciplinary surveillance which incorporated power and knowledge. Further, the so-called truth effects within the overall social structure played a very prominent role in the Fijian land issues. The village was normally composed of a number, perhaps three or four, major divisions (mataqali). Each of these had a similar number of minor divisions (tokatoka) which contained members closely related through the male line. The basic function of these groups was the accumulation of food, the entertainment of visitors and community work.

Land ownership is an important factor here. The members had equal rights to use the land for cultivation or for the collection of wild produce, but none had the right to dispose of land in any way without consulting the other members. It can be seen that the village cooperated as a social group, whose identity was strongly emphasised, because of their special position in the organisation of the village as a whole.
Since the Fijians incorporated Polynesian customs, the social structure is an important feature within the Fijian disciplinary regime. The founding members of a branch of a village were called ‘yavusa’ and later ‘mataqali’. A fully developed mataqali would exercise five distinct functions. Firstly, there was the ‘turaga’ or ‘chiefly mataqali’, where there was a direct descent through the male line from the common ancestor (ruling chiefs of succeeding generations). Secondly, there was the ‘sauturaga’ or the ‘executive mataqali’ whose rank was next to that of the chiefs, by their kin based relationship, their functions were to carry out the chief’s commands and support his authority.

Thirdly, there were the ‘mata-ni-vanua’ or ‘the diplomatic mataqali’ whose functions were as official masters of ceremony. Fourthly, there were the ‘bete’ or ‘priestly mataqali’ and finally, the ‘bati’ or ‘warrior mataqali’ whose function was to fight wars (Derrick, 1946; Lloyd, 1982; Chandra, 1981; Qalo, 1984; Routhledge, 1985). Another very important feature in the Fijian tradition was the whale’s tooth (tabua) which has the power of intrinsic worth. The tabua is a means of averting problems as well as being an indispensable adjunct to proposals whether of marriage, alliance or intrigue, requests and apologies, appeals to the gods and sympathy for the bereaved.

The tabua has occupied a very significant function in the social structure of the Fijian family unit. The tabua can be regarded as a disciplinary structure that can be seen to iron out potential power conflicts within the disciplinary regime, the Fijian village. This struggle can also be conditioned by the social stratification where there is a dynamic social system based on the existence of a series of kin-based and locality-oriented units. This made the building up of the standard power within a family class structure system difficult, but not impossible, in those areas where the physical and human resources were lavishly available, for example, Cakaudrove, Lakeba, Bau and Rewa. All these are forms of sub-structures of the main disciplinary regime structure that has now delegated powers to the various sub-units for more intense disciplinary surveillance in the issue of land.
The idea of the binding structure is seen to have been used in local warfare, as the means to acquire more land: for example, the Battle of Kaba (1760). It was seen that both the Tongans and the Europeans, (outside forces) struggled with the Fijian people for political control of the land. The land issue is a conflict for the domination of the disciplinary regime (district). The most powerful district would have the most amount of land within its disciplinary regime.

The first Europeans to settle in Fiji were merchants, sailors, small traders and missionaries from Great Britain, Australia and New Zealand. The trade was that of sandalwood in which land again played a very important role (Donnelly and Kerr, 1976; Routhledge, 1985; Derrick, 1946). The introduction of fire arms by the Europeans changed the balance of power. Those chiefs that had fire arms could lead tribal wars to regain the power of lost land or acquire more.

An important Act of 1871, of the Cakobau Government, can be seen as an act to administrate power within the Fijian disciplinary regime. This would iron out potential power and knowledge conflicts within the Fijian society. Another purpose of the act was to provide the necessary administration of justice. Provincial courts were set-up throughout the island although they normally functioned within their respective provinces.

The tax structure in those days was also very simple. Firstly there was an annual poll tax of five dollars on every Fijian male, and at least a dollar for every female. The men were also liable to a labour tax of two days a month, worked out on development work of some kind. Planters employing men who owed the labour tax could commute it for eight cents a day if they did not want to lose their labourers’ services, for example, during the picking session. Labourers were also able to commute the labour tax but at the rate of twelve cents a day. This was designed to boost development.

Secondly, taxation on Europeans was both direct and indirect. First there was a tax on land (twelve and half cents for every five dollars of the annual net value on developed land and two cents an acre on undeveloped land). Secondly, a system of licenses was
devised which was mainly concerned with the wholesaling and retailing of liquor. A license was also required by those wishing to practice as lawyers, doctors, auctioneers, land conveyancers and coastal traders. It was estimated that the revenue collected would be about Fijian $120,000 of which Fijians would contribute Fijian $54,000 and Europeans Fijian $66,000 (Routledge, 1985, p.134). This tax system can be seen as providing a mechanism to enhance the disciplinary surveillance concepts that were established within the disciplinary regime in Fijian society.

The Supreme Court, in those days, included a chief justice, two associate justices, an attorney-general, a registrar, clerk of the court and two more clerks (one of whom acted as a bailiff and the other as a messenger). The salary cost of the entire justice system was estimated as Fijian $13,000 a year. The political reforms of the 1860’s were a result of suspicion between the two leading Chiefs (Cakobau and Ma’afu), that led to power struggles between them when the economy was heavily dependent on the cotton industry. When the cotton industry collapsed it had a huge impact on the economy as a whole.

The two major chiefs in this particular period (1854-1867), were Ratu Cakobau and Chief Ma’afu. In 1862 the first offer of cession was made to Great Britain which was rejected; a second offer, on 10 October, 1874, was accepted. In this, Great Britain would be given 200,000 acres of land and in return, Cakobau would keep the title of King. This was rejected by the British Government at first but later the offer of land was accepted. Further, it gave a grant of 100,000 pounds to Fiji and nominated its own Governor, Sir Arthur Gordon, and settled the Fijian debts with the United States of America. Fiji became a British Colony.

Efforts began in 1873 to establish a constitution and a government but both failed. A prospectus for the Fiji Banking and Commercial Company was issued on 19th July, 1873 with 10,000 pounds available for redeeming the paper currency. A debenture issue for 25,000 pounds was guaranteed and in return, the bank received a monopoly on note issue for fourteen years. Further, it was given the rights to 10,000 acres of land, provided twenty shillings an acre was spent on development purposes. The final
conditions however, for its operations, depended on the approval of the colonial
government.

The resulting downturn in the economy was caused by a lack of development
opportunities which resulted in economic chaos which in turn resulted in heavy debts.
The Auckland and Fiji Cotton Company, founded in July 1870, collapsed and civil
disorder threatened the government, which was in danger of losing its land to the white
settlers from Australia and New Zealand. This compounded the need for the British
government to take over the Fiji Islands (Ali, 1980; Watters, 1969(b); Eckhlom, 1980).
This can be explained through various discourses or conflicts within the established
disciplinary regime that led to a so-called new disciplinary regime being established in
the colonial period.

To sum up, it can be said that Fijian society was unique in its establishment. The social
structure that existed was established early, in which land was an important and vital
issue or commodity. It has always influenced Fijian history. In this section it was also
seen that there were major power struggles within the established disciplinary regime
that ultimately led to a new regime being formed, administered by the British
Government. The next section will further discuss the Fijian colonial period, 1874-
1969.


The colonial administration forms a new disciplinary regime, with its own disciplinary
surveillance structures founded on the mechanism created by the Cakobau Government.
The concern for the British was to administer the economy as cheaply as possible, and
to use the available infra-structure, thus gaining continuity of government. Also
particular attention was paid to the traditional values of the Fijians. There was a delicate
balance between the large number of small administrative units and the previous
structures of the old disciplinary regime, which were geographically based. This system
had a ‘bulis’ or a Fijian official with ministerial power at village level. The colonial
government was willing to continue with this system.
The colonial policy was founded on the premise that the cost of administration would be paid out of the revenue derived from the Fijian economy with little reliance on the British economy. This meant that any ideas that were revenue generating were supported by the first governor. CSR is an example of this policy. The sale of sugar in Fiji was used to fund the new British disciplinary regime. There were structures carried forward from the old disciplinary regime whose prime purpose was to reduce the cost component that was attached if a completely new structure was established.

In this particular period a separate Fijian Administration was also established with the intention to preserve the traditional Fijian socio-economic order based on communal values, reciprocal exchange and obligations of commoners to their chiefs. The Indian indentured labour force was introduced to supply labour for the sugar industry, which was in the control of the CSR.

What can be seen here is power being shifted from the traditional chiefs to the colonial government which still wanted to preserve the traditional culture in Fiji but, at the same time, to bring about economic development. The colonial government was seen to have the power and knowledge, and a history of discursive formations such as the introduction of a colonial administration. The infra-structure, such as the CSR, was the driving force of change within the Fijian context (Shephard, 1945).

The Fijian land was also sold to other races and here it can be seen as a social evolutionary doctrine taking place. There were signs of capitalism, with its emphasis changing from communalism to individuality. This allowed the colonial rulers to have greater economic flexibility and thus a greater accumulation of capital. Prior to the cession to the British Crown in 1874, between 23% and 28% of the best land on the main islands (Viti Levu and Vanua Levu) was already sold by the Fijian chiefs to Europeans (Ward, 1965, p.121). For the native Fijian, land remaining under the communal tenure under the colonial land policy effectively fossilised the pattern of allocation from circa 1874. This transformed a flexible system of traditional land annexation and redistribution into an artificially rigid one of strict inheritance within the
mataqali clan. The result favoured those mataqalis, in the period immediately prior to cession, who owned large units of land.

After cession, the new colonial government took steps to protect the customary land owners by the creation of the Native Land Commission (NLC). This was another new sub-disciplinary structure formed as a result of discursive formations within the Fijian social structure. This ultimately aimed to provide a disciplinary surveillance. The identification of customary owners and the demarcation of the physical boundaries of property was carried out in Fiji. Within this disciplinary structure a total of 6000 ‘mataqali’ holdings in 1946 emerged with the establishment of the NLTB to manage native land and to act as an agency for the land owners (Qalo, 1984).

The role of the NLTB was seen as a formal leasing agency which would ensure Fijians were given due recompense for the use of their land, and also to give others tenure for long term development. In addition “...it was hoped that the Native Land Trust Board would administrator and improve the existing and somewhat haphazard methods to leasing native areas, operating at the time of its establishment...” (Ward, 1965, p.129). The basic aim for the land here was to ensure that any unused land was opened to both indigenous Fijians and others.

This would benefit both the owners of land and the government as follows: firstly, the owners of the land under this particular scheme would receive rental income. Secondly, opening up the unused land would allow the government’s policy to develop a stronger agricultural base. There were five main lease classifications of native land: agricultural, residential, commercial, industrial and special lease arrangements. Since 1966, agricultural leases have been issued for a maximum period of 30 years. This increased the incentives for the Indian farmers to take this particular lease and cultivate the land.

Therefore, what can be appreciated here, is that there is a further sub-division of the disciplinary regime powers given to the NLTB to provide a more concise disciplinary surveillance. It was also seen that the NLTB had the power and knowledge mechanisms put into place within its structure to enhance the Fijian economic growth.
The ALTA Act, another disciplinary surveillance mechanism, was introduced in the mid 1960's. The aim of the Act was to provide tenants with stronger security and the desire to increase their productivity in relation to their land. There was an apparent need however, for a financing agricultural institution, to help the farmers develop their land (Overton, 1986, 1987; Watters, 1969(a); Chandra, 1981, 1983, Ward, 1987, 1995). The philosophy behind the 1940 legislation, which created the native reserve category, was that the owners retained land they required for the foreseeable future leaving the rest for leasing.

The Fijian tradition was also apparent in regard to the tenure of land. This was through an agreement called a ‘vakavanua’, which can be described as an agreement where a farmer requests permission from a Fijian land owner or land controller to plant a crop for a specified period. This request is normally asked at a traditional ceremony presentation of ‘sevusevu’ (‘gift’) ‘yaqona’ or ‘tabua’ (whale tooth), but the modern trend is to supplement the traditional offering with cash. It can be seen that a relationship had existed and operated within the Fijian economy for a long period.

Also, by 1917, 12,000 or 60% of Indian farmers were independent tenants of native land; another 25% used European freehold land rental titles, and 166 Indians obtained freehold titles to agricultural land, averaging between 70 to 100 acres, (28 to 40 hectares) (Chandra, 1983). At this time Indians were slowly becoming owners of the Fijian traditional owned land, and there was no doubt that a process of economic differentiation between the races was occurring in rural areas, with the appearance of landlord-tenant relationships among the Indians.

The ‘jemindar’ (sharecropper) system of sugar-cane production is an example of this. The tenure systems also favoured, or at least did not impede, the manifestation of land proprietorship. A more “...sharply-polarised agrarian structure would probably have emerged...” (Anderson, 1974, p. 55). The Fijian government, at that point in time, was concerned with the preservation of the Fijian (indigenous) social structure and the security of their traditional land. Self-reliance through economic development, without reliance on the British economy, was the primary mandate of the first Governor of Fiji...
(Watters, 1969(a); Lloyd, 1982, Fisk, 1970; Ali, 1980). Again there were signs of power and knowledge conflicts from a Foucauldian perspective which resulted from historical discourse formations.

The first Governor of Fiji was Sir Arthur Gordon (1875-80), who was seen to be the architect of creating the Fijian Administration where it “... may be regarded as a system of local Government for Fijians ... a system empowered by law to organise some of the activities of the Fijian people for their own social, economic and political development as well as for the preservation of their traditional way of life...” (Nayacakalou, 1975, p.85). The British Colonial government set up the traditional political units which were divided into 19 provinces and later reduced to 14.

In 1945, the provincial model was three tiered “...the ‘yasana’ (province), ‘tikina’ (district) and ‘koro’ (village)…” (Qualo, 1984, p.36). In 1947 however, Ratu Sir Lala Sukuna, overhauled the entire provincial system, and created a structure known as the local government unit. At the top of the structure was the Great Council of Chiefs. The most significant development, as far as agricultural land was concerned, came into force in 1966, following the recommendations of the Burns Report (1960) (Burns et al., 1960). This highlighted the need for major reforms in the establishment between the landlord and tenant.

The Agricultural Landlord and Tenants Ordinance of 1967 (ALTO), was further modified, and became the Agricultural Landlord and Tenants Act of 1977 (ALTA). These are Acts of power within a disciplinary regime, their main functions being to ensure that the native land on lease may be repossessed by their communal owners. This allows the Fijians to benefit from any development a lessee may have brought about on the land.

Another important factor in relation to the land system was the indentured Indian labour system. On 14th May, 1879, 498 Indian labourers reached Fiji. By 1916 some 60,553 Indians had registered to migrate to Fiji as “coolies” (Ali, 1979, p.11). The other important development in this period was the establishment of the CSR in 1881. The
CSR monopolised sugar production. The indentured labour system ceased in 1920 because of the pressure from the Indian Government, "...it became clear that maintaining a plantation labour force would soon be an acute problem for the estates..." (Ward, 1980, p. 6). Labour problems and low prices forced most of the European growers to withdraw from the industry.

It was further seen that most of the leased estates reverted to CSR. Cane growing became an overwhelmingly Indian occupation, with only 553 Fijian owners and two Europeans listed in 1943, out of a total of 8,589 growers (Shephard, 1945). However, by 1952 the number of Fijian growers had shrunk to 101 out of a total 9,842 (Twyford and Wright, 1965, p. 181).

The Fijian population was gradually excluded from the most lucrative and dynamic sector of the rural economy. They were left with subsistence agriculture and copra farming with little development growth (Fisk, 1970). Copra farming was described, especially within the Fijian agricultural context, as "...the almost medieval structure of...low capitalisation, high labour coefficient, ancient technology, minimal research and development input, and archaic systems of marketing and transportation" (Brookfield, 1977, p. 136).

By 1960 land was an increasingly sensitive political issue. The NLTB had some reservations about allocating further land leases because land tenure had many constraints and uncertainties about it, where "...the area which may eventually be leased is unknown until the native reserves have been declared. The NLTB (was) unwilling to approve leases in advance of declaration and the slow rate of reserve demarcation and proclamation has seriously hindered land settlement" (Ward, 1965, p. 130).

It was also seen that while Europeans and the Fijians were engaged in copra and banana production, which suffered a depression in the early 70's, the Indians survived, and even prospered, under the protection of the powerful CSR (seen from a Foucauldian perspective, as a powerful disciplinary regime within the sugar industry). There were also constitutional changes (i.e. changes to the disciplinary surveillance structure within
the disciplinary regime), that were significant from a qualitative, as well as a quantitative, point of view. The Fijian representatives to the legislative council were nominated by the Governor, from a list of ten submissions, made by the Great Council of Chiefs under the Native Affairs Ordinance Act of 1876. Ratu Sir Lala Sukuna in 1937, expressed his views on the Great Council of Chiefs on the colony's constitution of 1937 in the following way

(d)emocracy ... meant rule by ignorance and prejudice ... forces as nefarious and ruinous whether they be in alliance with Europeans, Indians or Fijians ... we choose, with full support of native conservative and liberal opinion, the system of nomination believing that along this road, and along it alone, the principle of trusteeship for the Fijian race can be preserved and the paramountcy of native interest secured

(Scarr, 1980, p. 133).

It became obvious that the legislative council provided a disciplinary surveillance in relation to the establishment of the Crown. It is emphasised that, although Europeans have always supported democracy, they have not being in a position to "... give way too easily to democratic ideals, ideals that are unsuited to a country containing three major races who differ in language, culture and religion and these races will never combine to unite as one people..." (Ali, 1979, p. 31). This is seen as an important feature during this historical discursive period.

Other developments which provided forms of discursive formations within the disciplinary surveillance, can be divided into five basic Land Administration Acts. These were as follows: Native Lands Act (1905), the Native Land Trust Act (1940), Crown Lands Act (1946), Land Transfer Act (1971) and the Agricultural Landlord and Tenant Act (ALTA) (1977).

Native Land, which is the majority of the land in Fiji (83% of the total area of 1,829,870 hectares) is owned by indigenous Fijians, who hold the land under a mataqali ownership. Native Land is inalienable except to the Crown. This development stems from the Native Land Act and has been in force since the late nineteenth century. There has been, however, an increasing number of Indians who have been granted 'Native Leases' to settle on this land for agricultural purposes.
The administration of the Native Lands, which is vested in the NLTB, was established in 1939, and currently has 345,557 hectares of land leased for agricultural purposes in 22,967 land holding units. Large areas of Native Land since the 1940’s have been declared as Reserves and set aside for the exclusive use of Fijians to meet the future needs of the rapidly growing Fijian population.

The other type of land, found within the Fijian context, is Crown Land which totals 172,960 hectares, or about 9% of the land area. This is comprised of three types of land. The first is known as ‘Crown Freehold’ and refers to land acquired by the Crown, since cession, for specific purposes. The second is ‘Crown Schedule A’ land, which reverted to the Crown by the virtue of extinction of the owning mataqali, and finally, ‘Crown Schedule B’ land which refers to land where there was no Fijian claimant under the customary law at the time the Native Lands Commission defined ownership of Native Land. The other classification, ‘freehold land’, is comprised of mainly land purchased by non-Fijians before cession, and subsequently granted to claimants as Crown Grants by the Land Commissions, set-up after the cession. It can, therefore, be seen that during the period 1905 to 1909 alienation of Native Land was permitted.

The most valuable agricultural land in Fiji is freehold because it is the only land in the country which has a freely transferable title. It therefore acquires a market value that, in most cases, is its productive value for agricultural purposes. For example, Indian farmers, acquiring substantial freehold land, may erect infra-structures such as houses and sheds and use that agricultural land to farm large cash crops such as sugar cane and rice.

A Foucauldian perspective has established the course of history in relation to land issues as discontinuities under various names or titles given to land within the Fijian context. Each title of land demonstrates, in its own right, the powerful nature of the land issue from a Fijian land owner’s point of view. It further demonstrates the intertwining nature of the power and knowledge and in-built relationship that is clearly demonstrated by disciplinary regimes such as the NLTB. This provides the necessary infra-structure
where negotiation in relation to the land leases could effectively take place or be administrated from within a disciplinary boundary.

These developments of a very extensive industry, such as the sugar industry, have a great bearing on the Fijian economy. Sugar is currently the main export of Fiji. Exports in 1864 were more diverse such as "...cotton, coconut oil, coconut fibre, 'Beche-de-mer' and 'Tortoise-shell' (Derrick, 1946, p. 160). In early 1873, there was an attempt to establish a Bank of Fiji, which was granted a charter on 19th August, 1873. The company had a monopoly of banking in Fiji for 14 years and was exempted from taxation.

One of the conditions, however, attached to the offer of Cession of 1874, was that the Banking Company's charter should be confirmed, but its concessions were regarded by the Colonial Government as detrimental to the public interest, and were, therefore, not upheld (Derrick, 1946; Routledge, 1985; Lloyd, 1982). There were debates about an agricultural credit bank in 1927-1929 when the Indian farmers were assessed by the secretary for Indian Affairs, who was aware of the growing problem of obtaining cash to establish agricultural farming. He saw the need to establish some form of agricultural credit society facility, but the colonial administration at the time refused such a development.

The huge drop in copra prices in the early 1930's also aggravated the problem of tight money for agricultural lending purposes. Two banks that operated in that particular period, the Bank of New Zealand and the Bank of New South Wales, were foreign banks and therefore the guidelines imposed by them were from a foreign perspective (Burns et al., 1960). The granting of agricultural loans, therefore, in that period was not only dependent on the productivity of the land, but also on the sufficiency of security given to the bank, in the form of collateral. The average agricultural farmer was seen as worthless by the commercial banks, and thus their loan applications, in most cases, were unsuccessful.
Agricultural farming in those days was seen to be a very risky venture that the major commercial banks did not want to undertake because the agricultural sector was new with high risk components attached to it. Besides, the banks were ultimately profit-motivated (Burns et al., 1960; Spate, 1959). Further, discussions continued in the period 1937-1950 where the idea of trying to establish an agricultural bank was considered by one governor after another. It was not until 1950 that Mr. E. Judd, the rural bank advisor of New South Wales, arrived in Fiji and submitted a draft report. In this he recommended that a government guaranteed bank was the only way in which the agricultural bank could be established. The colonial government accepted the recommendations and passed them on to the Legislative Council where the AILB was established with effect from 12th May 1952.

To sum up, it is seen that within the colonial period, various disciplinary structures such as the NLTB were established within the colonial government to ensure that the rights of the Fijian people, in relation to the land issue, were adequately protected. Other races, such as Indians and Europeans, could lease the land by various lease agreements that would entitle them to ultimately use the land for development purposes.

It has also been established in this section that there was a need to finance development activities. The idea to establish the AILB was also put forward at this time. The next section will look at and evaluate the implications of the various constitutions as acts of power within the Fijian context.

5.4. THE CONSTITUTION OF POWER.

Constitutionally, there were no real changes until 1963, when Fijians for the first time elected their own representatives to the Legislative Council. The constitution was basically geared towards a balance of power among the races. In 1964, therefore, three elected members, one from each of the three major races (Indians, Fijians and Europeans) were given the portfolios of Natural Resources, Social Services and Communications and Works, respectively. This was seen to be the first step towards
internal self-government. The introduction of cross-voting emerged to protect the paramountcy of Fijian interests.

The Constitution of 1966 (the constitution of disciplinary surveillance) reflected the various ethnic divisions of Fijian society. There were thirty-six seats in the Legislative Council of which fourteen were allocated to Fijians (numbering 228,000), twelve to Indians (numbering 256,000 or 50% of the colony’s population) and ten to Europeans, Part-Europeans, Chinese and others (called General Electors numbering 28,000 or 7% of the colony’s population).

The 1966 general election brought about a two-party system. These were the Fijian party (The Alliance Party) and the Indian party (The National Federation Party - NFP). This can be viewed as a historical discursive formation, encountered within the Fijian political structure, with immense implications on the future of the Fijian economy. The Alliance Party won twenty-three seats, and since the Council of Chiefs and the two independents aligned themselves with the Alliance Party, this gave them twenty-seven seats. In this way the Fijians increased their participation in the running of the economy (Ali, 1979, 1980; Donnelly and Kerr, 1976; Fisk, 1970). Again, from a Foucauldian perspective, the formation of various parties is seen as a means of providing a stronger disciplinary surveillance as a powerful collective force for its members for their rights to various issues. Land was the paramount one.

Even after Independence was obtained, the 1970 Constitution of Fiji, the 1990 Constitution of the Republic of Fiji and the 1998 Constitution of the Republic of the Fiji Islands all protected the indigenous rights of the Fijian people to land and the preservation of Fijian social structures. The Constitution changed after October, 1970, when Fiji became an independent democratic state after a British period of rule that lasted for ninety-six years. The shift of power can be seen from the colonial rulers back to the traditional Fijian chiefs. A political independent status was attained by the Fijian leaders after Independence (1970).
The other significant change brought about after independence was a major change in the Constitution. This followed a British Model (Westminster Style) of representation. It was made-up of a House of Representatives and a Senate. There was an increase of the total amount of members to fifty-two (twenty-two Fijians, twenty-two Indians and eight general electors). The military coup of 1987 was the moving force that resulted in changes to the 1970 Constitution. This came about because, although voting was on political (racial) lines, the Indian Party attained support from the general electors party and was, therefore, voted into power. This threatened the Fijians’ rights to land and, ultimately, the decision-making process of the country which led to the military coup of 1987.

The Constitution Amendment Act of 1997, amended by Act number five, which was an Act to alter the constitution of the sovereign of the Democratic Republic of Fiji, acknowledges its unique constitutional discursive history. This can be seen from a Foucauldian perspective as a part of a unique disciplinary Fijian regime, stemming from the Deed of Cession of 10 October 1874, where the main powerful chiefs ceded Fiji to Great Britain. Fiji became an independent sovereign state with loyalty to Queen Elizabeth II who promulgated the Fiji Independence Order in 1970. The disciplinary regime was seen to change from the colonial British government back to the Fijian government. This was regarded as administering a new disciplinary regime, where the power given to it was based on the Fiji Constitution of 1970.

However, the Fijian flag and the constitution still has some of the traditional British colonial impressions or fragments of the old disciplinary structure mechanism embodied in the new one. This was also seen with the abrogation of the Constitution in 1987 by the Constitution Abrogation Decree 1987. After a three-year period, the new constitution of 1990, which was further endorsed by the President with the approval of The Great Council of Chiefs, can be seen from a Foucauldian perspective as a collection of chiefs who provide a disciplinary surveillance of its members and ultimately, the people of Fiji.
Thus, it can be seen that historically the Constitutions of Fiji are a result of various discursive formations and various events of historical discontinuities. Within their ultimate formations, however, the issues that are paramount are the protection of the sovereignty rights of the Fijian people. This is a disciplinary surveillance over land rights provided through the disciplinary regime, that is, the Fiji Government.

To sum up this section, it is important to look at the structural mechanisms that were part of the constitution formations within the Fijian context and which were the result of discursive formations and the need for members to be safeguarded. The constitution gave the Fijian regime powers to govern. The next section will further bring out the discussions of land accountability within the Fijian context.

5.5. LAND ACCOUNTABILITY.

The Fijian administration was created by the first British Governor in 1875. From a Foucauldian perspective, this is seen as a disciplinary surveillance structure, which has built-in effects of power and knowledge to ensure truth effects within a regime of this nature. It was designed as a traditional political unit, as the British understood it, and to administer land allocation. At the apex of the Fijian Administrative structure was the Great Council of Chiefs which was seen as an advisory body to the Fijian people.

Under the Fijian Affairs Ordinance of 1945 the structure was as follows: firstly, at the top was the Governor; secondly, The Fijian Affairs Board; thirdly, The District Commissioner; fourthly, the ‘Roko’ (the traditional Fijian administration which is divided into fourteen provinces, each headed by a ‘Roko’) or a district officer and fifthly, ‘Buli’ (each province includes a number of ‘tikinas’ which comprises groups of villages headed by a ‘Buli’) and finally, the ‘Turaga-Ni-Koro’ (Head of village).

In the short term, the Fijian administration was seen as a native authority, one of the British Colonial experiments in local government, a system of indirect rule (Qalo, 1984; Henderson, 1952; France, 1970). The system, in principle, functioned for twelve years before some major weaknesses were found (McDougall, 1957). There were impacts of
the Fijian customs imposed on the economic, social and political development. One problem in particular was the custom of 'kerekere' (to ask), a system of requesting goods with an implied future reciprocity but without any specified time, product or value.

The Provincial Councils, from a Foucauldian perspective, were part of a sub-disciplinary regime. Their function was to provide disciplinary surveillance over their members. They provided the ultimate validity of the system, but it was found that this sub-system was prone to problems of its own. For example, the Provincial Councils did little more than raise enough money to pay their own costs of administration (to run the sub-disciplinary regime). They did little to provide either economic or social services for their people. Their main source of revenue was related to an unfair tax system.

It was also seen that the Government subvention to the Provincial Councils did nothing to encourage sound administration. The emphasis was on a huge energetic effort in the collection of revenue for the provision of services, or to help the more needy Provinces (other sub-disciplinary regimes). It was found that the Provincial Councils had no real powers or responsibilities (questions of validity of the sub-disciplinary regime) nor enough money to meet their real needs (funds to maintain the sub-disciplinary regime's operations).

The point emphasised here is that it is difficult to reconcile development in land issues, while at the same time trying to preserve Fijian traditional customs. Land was the issue of major concern. What can be established is that there are historical discursive formations. The reality of the situation highlights the problems and the need to be protected, under the disciplinary regime structures, in relation to their functions within the Fijian administration, under which there were some forms of financial shelter, where the Fijians could find protection.

These administration structures provided the necessary financial and administrative support to safeguard the interest of its members within a disciplinary regime framework. For example, "(t)he Secretariat of Fijian Affairs is the shelter under which the people
(Fijians) protect themselves from the storms of economic and political insecurity ... the craftmanship was skilled for an earlier time, but the times have changed and the people have out-grown the building, which itself has developed leaks in the roof and rot in the beams" (Belshaw, 1964, p. 28). There were also questions about the government which was set-up by Sir Arthur Gordon, in its role with the chiefs, and their function in the Fijian economy (Spate, 1959; Burns et al., 1960).

The chiefs, however, had a very important advisory role towards the running of the administration, which is even apparent now (The Great Council of Chiefs). This was appreciated by an independent commentator, who saw these disciplinary regime formations as part of the overall operations. A conflict of power struggles between the chiefs and the colonial administrators in original conception of the Fijian Administration, which was an application of a principle that related to the mechanisms of an indirect rule towards the administration of native affairs. It had hopes of developing a modern political organisation by building on the old institutions (developing a new disciplinary structure out of fragments from the old one) where “...the Fijian Administration has failed to develop into this kind of institution, with the result that it continues to be seen in terms of the chiefly system” (Nayacakalou, 1975, p. 92).

After independence the ALTO of 1967 became the ALTA of 1977 which fostered growth both for the Fijian people and the agricultural economy a whole. These could be seen, in the political context of the Fijian Administrative System, through the establishment of bodies such as the Fijian Affairs Board, The Great Council of Chiefs, the Provincial Councils and the Alliance Party which in that era, protected and ensured the paramountcy of the Fijian interests. Change had been embraced by the Fijians. It has been commented on that there is a need for the changes of the disciplinary regime to become more dynamic in its operations within the Fijian context, where the relationship of tradition and change is viewed by the Fijian people as
(Fijians think they resist change and yet embrace it, retain their culture and yet change their way of life, or again, simply take the middle of the road and either confidently or with resignation avoid the painful choice between change and preservation. The belief that they can do both simultaneously is a monstrous nonsense with which they have been saddled for so many years now that its eradication may be very difficult to achieve

(Nayacakalou, 1975, p. 135).

The ultimate change of the Fijian administration is highlighted by its attempt to integrate the old colonial structure into the new structure. This further highlights the integration between the two, and leads to one of the structures being over-powered. The actual results, from a Foucauldian perspective, can be related to the historical discursive formations and discontinuities, taken from an archaeological and genealogical viewpoint. There is a complicated intertwining relationship between the cultures that are seen to operate within the disciplinary regime, a point that is discussed and outlined by one of the historical commentators.

Spate (1959), comments on the complexities involved in breaking up the traditional Fijian way of life with its moral and social values. The uniqueness of the Fijians' culture exists only for the aesthetic purpose of maintaining their way of life. Left to their own devices, or rather left unaided to face the modern world, it will break up by itself. It can be said that “…confusion giving no stable foundation to build on, and all history show it the more rigid the defence of an untenable position, the more catastrophic the smash when it does come” (Spate, 1959, p. 8). There is a need to ensure that the land protection issues gain momentum through its proper administration, which can be a valuable asset for any country's development.

The land issue, in a social context, is a function in Fiji of social relationships and interwoven with issues such as kinship (from a Foucauldian perspective a sub-structure within the disciplinary regime structure, to ensure adequate surveillance), the family system, and the entire field of human relationships (as seen in the Fijian social class structure). It is also important when dealing with problems of land use which include, alienation, ownership, acquisition and development. Although the socio-religious concept may have a strong influence there is still a demand for change as a result of increasing personal mobility. This has led, in Fiji, to the application of finance and
technical knowledge to foster growth. For example, in this period there was a need for an agricultural bank to be established to help the farmers.

Land in Fiji in this period was based on a tribal concept. One apparent problem seen here is that different tribes had conflicting social values and this led to wars over land issues before and during the colonial period. The introduction, by a foreign colonial government, of proper planning (with regards to economic, regional, physical, institutional and land use) was to evaluate this land from a colonial viewpoint as an instrument of economic and social development to improve the living standards of the Fijian people. However, to achieve this, there had to be some flexibility between the colonial governors and the land-owning people. This took place through the establishment of the NLTB.

The colonial government’s intervention in land use and control, land management, and the operation of the land market within the customary land tenure framework, provided the economic and political measures that it could use to foster growth, for example, the CSR. The arrangement between the NLTB and the farmers provided an agreement whereby land could be used to its ultimate productive usage (Dorner, 1972; Anderson, 1974). This was so, especially for agricultural land usage, where again Indians farmed most of the sugar-cane fields.

Another important development that the colonial government and the NLTB established was the keeping of land records and transactions (Simpson, 1974; Ali; 1980; Brookfield, 1979). The aim of record-keeping was two fold. Firstly, the land register was to assist in the assessment and collection of revenue, and contained information on a whole range of variable quantities which may have affected the land productivity; for example, the unit of land, its use, area, soil classification and its suitability for certain crops. Secondly, the register was to confirm the land rights of the owner for land accountability (West, 1972).

From a Foucauldian perspective, all of this is part of archaeology and genealogy issues. The historical events are seen to be part of discursive formations within the Fijian
archaeological history, which gives validity to the truth effects. These have been the result of the power and knowledge disciplinary structured surveillance mechanisms, for example, the establishment of the NLTB and the CSR.

The customary tenure of the agricultural rural land also showed the conflicts between traditional values of using land for hunting and crop farming. It was important to look closely again to land now being used for commercial gain and the customary rights to land, to observe the interwoven traditional social class structure and its vulnerability to changes, brought about by the colonial administration.

Firstly, the rights under customary tenure, rest neither on the exercise of force nor on the evidence of rights guaranteed by government statutes, but because they are recognised as legitimate by the community. Secondly, some social, mystic and religious attributes are usually attached to land under the customary system (Parsons, 1957; Brookfield, 1979). Thirdly, the ultimate or allodial rights to land, are normally held by a particular social group, for example, in the case of Fiji, the NLTB. Fourthly, tribal land is normally held by a head in Fiji (the Chief), on behalf of the whole group. Fifthly, the rights to land involve the concept of customary land laws. Sixthly, the individual's right to land is derived from two main sources: the group owning the land, which is entitled to use the land as its right and the acquisition of land from a group (or person) which obtained the right from another group. Finally, the assertion that the absolute rights to land under a customary law cannot be transferred without the consent of the whole village (Coker, 1958; Simpson, 1974).

The benefits of the lease agreements to the agricultural farmers are improved security of tenure, reduction in cost and time spent on land litigation, cheap and safe facilities for dealing in land, improved access to land, and providing land as a form of security or agricultural credit to the banks.

The Fijian commercial experience in the sugar-cane fields has been influenced by a number of factors. Firstly, the experience and knowledge of the Fijian farmer in sugar-cane farming. Secondly, the rate and efficiency with which the Fijian farmers can adopt
farm management practices relating to sugar-cane as opposed to subsistence crops (dalo, cassava). Thirdly, the implications of the socio-economic factors of a Fijian becoming a commercial farmer after having been essentially a subsistence farmer (Rakoto, 1973). The Indian farmer, brought from India as an indentured labourer, to farm the sugar-cane fields has been exposed from the beginning to the norms of a commercial environment and therefore, gained commercial experience.

In this section land issues and the various structures (disciplinary) that highlighted the land issue were discussed, especially in relation to the need for agricultural lending. The next section will carry on the discussions further in relation to the government’s development plan and its implications during the historical period.

5.6. THE COLONIAL GOVERNMENT’S DEVELOPMENT PLAN.

During the 1960’s a development plan (disciplinary surveillance mechanism), was prepared by the colonial government. There was a heavy emphasis on improving expenditure through communications and agriculture. Further, independent farmers (galala) were to be settled on new land, remote from existing villages. It was hoped that a new society of Fijian peasants would emerge, market orientated, innovative and free from communal restrictions to accommodate the scheme proposed by the Land Development Authority (LDA) established in 1961.

The planners’ intention was to encourage the development concept. To do this there was a need to provide a mechanism in the form of an established institution which, in the long run, would ultimately promote the settlement of interior pockets of land by Fijians and others as independent farmers on secure tenancies. There was need of such institutions to avoid the twin dangers of excessive paternalism and bureaucracy in relation to the Fijian economy where “…their planning is technically sound, they could play a crucial role in rural development and accelerate the rate of social change in Fijian society” (Watters, 1969(a), p. 274).
In 1965 over 1,000 new farmers were established by the LDA (mainly on Viti Levu). In 1967 it grew to about 5,140 occupying a total area of 40,000 hectares (Watters, 1969(a)). However, by the end of the 1960's “...this ambitious program quickly failed and collapsed altogether” (Brookfield, 1979, p. 36). Roads also played a major role in the development plan since they provided a means of transportation and communication between the agricultural farm lands and the main townships (Ward, 1965; Watters, 1969(a); Brookfield, 1979).

Other schemes were set-up in the early 1960's. These were, for example, The Verata Beef Cattle Scheme and The Tilivalevu Cattle Scheme to develop a beef and dairy industry. A finance development bank idea was also mooted by the colonial government. Its influence was seen in the existence of the AILB and later the FDB. Again from a Foucauldian perspective, through which the historical formations need to provide a sub-disciplinary regime, with power which gave support to the disciplinary regime. The only way this was attainable was by forming a sub-disciplinary structure, such as the AILB. This was later seen to be a non-financial institution and so the FDB was formed.

To sum up this section, it is seen that a historical pathway was formed with an ultimate goal to ensure that the disciplinary regime had the necessary in-built structures which can be regarded as objectives, goals or visions which need a financial backing. This would lead to the formation of the AILB. This will be discussed in detail in the next section.


In Foucauldian terms, the AILB can be seen as a disciplinary regime in its own right. It provided the disciplinary surveillance within the early development banking period, where the intentions of the institution were quite clearly to provide a development financing framework. This would provide the necessary financial and administrative support to foster industrial and agricultural lending within the Fijian context.
For the effective functioning of the AILB, there was a need to appoint board members, under ordinance number 27 of 1951. This gave the disciplinary regime of the AILB the powers to operate and enforce the concepts of disciplinary surveillance and gave truth effects to the whole development lending operations. The purpose of the ordinance was to provide facilities for the provision of agricultural and industrial credit and to establish a Board for such development lending purposes. The ordinance was passed in the Legislative Council on 6th December 1951.

On 9th May 1952 the governor appointed four members to the Board of the AILB. It was comprised of a branch manager, a businessman for the term of three years, another manager of a private company, and a registered surveyor, road engineer and valuer for the term of two years. Again in Foucauldian terms, it can be observed that the board members are the necessary tools available to an institution such as the AILB to enforce the disciplinary surveillance concepts within the development banking context.

To enhance this disciplinary surveillance to a tighter control, the AILB recruited further personnel to enforce its lending surveillance where, for example, it was seen that further appointments were necessary. Firstly, a secretary to the board was appointed on 26th June 1952, a clerk bookkeeper appointed on 1st August 1952, a typist clerk appointed on 1st February 1953 and finally the post of the board’s inspector appointed on 1st February, 1953. The inspector’s job required him to investigate and inspect all applications for loans from Tavua to Sigatoka. He lived in the township of Ba (see Figure 1).

The applications for loans began during 1952 and by the end of the year 267 applications had been received and dealt with by the AILB. Of these 100 were from Fijians, 159 from Indians, seven from Europeans and one from a Rotuman. The loan application procedure in those days required that all Fijian applications be forwarded to the relevant District Commissioners of the district in which the applicants resided. Reports were received back by the Commissioners to the AILB, either recommending or rejecting a loan. The ‘Rokos’ (Chiefs) usually made these reports for the District Officers.
The other important feature of the loan application process involved loans to the Fijians. There were conditions with which they would have to comply under the Fijian Affairs Ordinance. All other applications were dealt with directly by the Board, after careful investigation, by the Board’s officers. Under the Board’s terms of reference certain types (classes) of applications did not qualify for the loan process. Loans, for example, were not made for the building of houses in residential areas. However, houses for farmers in their agricultural context, were normally granted. Loans that were granted involved no cash advances. Instead orders were given to various local firms.

Loans were not made to the CSR’s tenants, because they had no registered titles to offer the AILB. In 1952 out of 267 applications 9 were industrial and 258 were agricultural; in 1953, however, of 134 applications 7 were industrial and 127 were agricultural. A total of 75 loans was granted, committing the AILB to an expenditure of 147,994 pounds. Some of the loans were secured under a scheme where the repayment of principle and interest did not fall due until the crops were harvested, for example, the loans secured under the cane crop lien scheme, such as sugar cane and rice.

The supervision and control of the loan was another important feature of the lending exercise in the 1950’s. When applications were received, they were firstly, checked at the Titles Office, in respect to the land titles offered and encumbrances, where attention was also given to correct ownership and the date of expiry in the case of leases. Secondly, the field inspector, who was resident in the township of Ba, but covered in his inspections, the townships from Sigatoka to Tavua had all of the applications forwarded to him for his area. He would examine the application immediately and forward his reports regarding the loan to the headquarters of the Board based in Suva; the land valuation of the security played an important role in the loan application’s success.

Thirdly, when loans were granted, a periodical inspection was also carried out. During the period of the AILB’s operations (1953-1966), the annual lending activities showed that agricultural lending fluctuated substantially from year to year, due to the variation in the demand for loans from the agricultural and industrial clientele (Refer Appendix Table 1).
Table 2 in the appendix shows the total amount of loans approved during the operation of the AILB, and their total amounts for the operating period 1953-1966. It was also apparent that in the late 1950's and early 1960's, the AILB was not able to fulfil its overall commitments to the agricultural and industrial lending sectors. There was a need for a much larger institution to take over the growing needs of the objectives of development within the Fijian institutional development framework. This was to be the FDB.

What can be seen in this section is that the establishment of the AILB fostered the economic growth and objectives of agricultural and industrial lending. A new disciplinary regime structure had to be formed, (this would be the FDB), to carry on the disciplinary (lending) surveillance within the Fijian economy. To appreciate the need for a development bank in Fiji, the next section will evaluate its overwhelming need.

5.8. THE NEED FOR A DEVELOPMENT BANK.

The new structure provided the necessary disciplinary surveillance of the agricultural and industrial loans. This was the FDB, which played an important role as an administrator that scrutinised lending closely. The land issue played a dominant role in the establishment of the FDB. It began operations in 1967 when it took over the assets and liabilities of the AILB. The decision to pass on the affairs of the AILB to the FDB was seen as a political process. This was to satisfy the agricultural farmers who needed financial assistance that was not forthcoming from the major commercial banks.

The farmers managed to convince the colonial government of the need for an agricultural bank that would take care of their long term agricultural lending needs. From a Foucauldian perspective, it can be seen as a change within the disciplinary regime, to provide a better disciplinary surveillance mechanism. It is further seen as a process of discursive historical formations within the development banking (lending) operations, experienced within the Fijian banking context.
The formation of a new disciplinary regime can be seen as an idea that could be linked to historical discourse formations. In 1965 this disciplinary formations perspective was given to Mr. W. A. Buettle, a branch manager of Commonwealth Development Bank of Australia. He advised the colonial government (the existing disciplinary regime), that the AILB should be converted into a Development Bank with broad powers and authority to operate effectively in the field of development banking (lending).

The Buettle Report was approved unanimously by the Legislative Council in 1966. The FDB was established on 1st July 1967. All the assets, liabilities, loan accounts and staff members of the AILB were transferred to the bank. After the transfer was completed the establishment of a new disciplinary regime (FDB) with all of its infra-structure came into operation.

In addition to providing loan finance, the FDB was empowered to subscribe to stock, shares, bonds and debentures, the selling of shares, and to invest in and at the same time manage any project, considered by the bank, to benefit the general economy of Fiji, for example, to give guarantees, underwriting loans and the acquisition of land. The bank could also accept deposits and carry on the business of banking. This extension of the powers of the FDB, can be seen as the incorporation of new disciplinary guidelines. This would ensure greater disciplinary surveillance, so that it would be able to capture and maintain the development (lending) operations within the Fijian context.

The original structure of the FDB cost 612,750 pounds for a six storey headquarters which was built in Victoria Parade, in the capital city of Suva. The major problems associated with the building project were, firstly, to obtain suitable premises for lease; and secondly that the finance for the FDB’s building project was provided by the bank, the FNPF, the Bank of New South Wales, the Bank of New Zealand and the Australia and New Zealand Bank.

The building, when completed, covered a floor area of 57,100 square feet. The land was ultimately leased to the bank by the government for a 99 year period. The initial architect’s drawing of the FDB’s building is illustrated in Figure 5 below.
It was seen that, while providing the necessary disciplinary surveillance, the bank, in its first report on the disciplinary surveillance activities, reported in 1968 that the total agricultural lending commitments had resulted in an operating deficit. This was, to some extent, being offset by the bank's more profitable activities in support of industrial development. Again from a disciplinary surveillance perspective, it can be seen that the bank in its development (lending) operations had identified the areas which provided the bank's profitability. The agricultural sector was seen to be more risky than the industrial lending sector, which was seen to be more profitable in the long run.

This analysis is also repeated in today's development banking lending. One of the interviewees commented on the need to have a quality lending portfolio which would ensure the profitability of the bank in the long term where

(y)es, I think the concept of lending has changed. If you look at the bank's corporate plan there are two important factors to be taken into account, firstly, the bank you may say has undertaken a review process where all of its non-performing loans are provided for (adequate provision for doubtful debts are created against all non-performing accounts) and secondly, there is a focus on more commercial lending as opposed to agricultural lending. So to some the above two points I can
say that firstly, there has been a clean-up exercise and secondly development lending emphasis is more on quality lending as opposed to quantity lending which was encountered in the traditional development lending where agricultural loans were approved on a massive (volume) basis, however the practice nowadays has changed enormously

(Interview Schedule, R-1, p. 33).

What can be said of the above comments is that there is an obvious connection between the development (lending) practices of the past and the present. The loans made by the development banking industry were considered by the industry to be considerably higher overall than the average level of those required by the agricultural community but the associated costs of administration were substantially lower. While ensuring that adequate funds remained available for agricultural development "...the Bank, therefore, pursues all favourable opportunities of investing in the industrial sector" (Annual Report, 1968, p. 2). The riskiness of the agricultural development lending was again the focus of attention in the bank’s annual report of 1969, where this potential element was highlighted.

It did mention however, that the bank’s main function was to promote the development of natural resources. It therefore continued to pursue its policy of supporting the "...small-scale agricultural enterprises because it considers this to be both necessary to the economic advancement of the rural community and in the interests of Fiji as a whole" (Annual Report, 1969, p. 1). A summary of the bank’s activities from 1967 to 1997 is given in Appendix Table 3. From a Foucauldian perspective, this provides a clear indication that the number of agricultural loans were definitely more than those within the industrial lending sector.

To sum up this section, it is important to see that the FDB’s operations are unique. This clearly demonstrates the bank’s ability to cope with risky development (lending), which other banks would treat with caution. The next section will look at the conclusions of this chapter.
5.9. CONCLUSIONS.

In this chapter it can be seen that, interpreting Fijian history in Foucauldian terms, it was apparent the a number of discursive formations provided a strong base from which the different phases of Fijian history could be analysed and interpreted. It was also observed that the Fijians brought with them, even after independence, some of the country's infra-structure (laws and regulations and philosophies) that are still apparent. A social and political climate was incorporated with the British colonial philosophies. These were then applied to the institutional structures such as the AILB and the FDB.

The next chapter will examine the roles of other institutions that relate to, and influence the functioning of, the FDB in its environment. The RBF and the FNPF are examples of how the Fijian economy has developed since independence and how this also relates to the bank's overall development banking activities. These will also be looked at closely.