

Small Fish, Big Catch

French Polynesia's 10,000 ethnic Chinese make up about 5% of the population. Papeete has a local Chinese newspaper, and a community centre tied to a local branch of Taiwan's ruling Kuomintang. On Chinese Republic Day, October 10, there are dragon dances and martial-arts contests.

In some Pacific-island capitals, Taipei has secured more than dragon dances and a meeting hall, though. On Nauru, a 21-square-kilometre coral atoll, a blue-on-red flag flutters outside the Taiwanese embassy. In addition, Tuvalu, Tonga and the Solomon Islands recognize Taiwan—and not China.

These days, Taiwan is pursuing recognition by Papua New Guinea, Fiji and Palau as well. In its effort to regain a seat in the United Nations and other world bodies, Taiwan has made diplomatic ties with 30 small countries.

Taiwan rewards its Pacific-island friends, spending some \$500,000 a year on nine fisheries projects in the region. It has a hotel project in Tuvalu, and gives agricultural assistance to Nauru and the Solomon Islands.

Lately, Taiwan has been wooing

Palau, population 15,000. It's helping to upgrade Palau's tourism industry, says Liu Tai-ying, chairman of the KMT's venture-capital company, China Development. The company is investing in a tourist-class hotel in the capital, Koror. In addition, Taiwanese businessmen have been offered investment privileges and Palau passports.

When Palau marked one year of independence from the United States on October 1, visitors from Taipei were flown in by Far Eastern Air Transport, a carrier partly owned by China Development. The charter flight was equipped with Palau national flags and T-shirts especially designed for the occasion. The carrier plans to expand its Pacific-island flights, Liu says.

In May, Papua New Guinea signed mutual recognition protocols with Taiwan, but it retained its diplomatic ties with Beijing. Neither Taipei nor Port Moresby plan any permanent representation in each other's capitals, but China protested the arrangement nonetheless. Indeed, in September China chastised the other Pacific islanders for their Taiwan ties as well.

■ Bertil Lintner