

Papua New Guinea mutiny ends but basic demands remain

Will Marshall
2 April 2001

After 12 days of armed mutiny, Papua New Guinea soldiers returned hundreds of seized weapons to armouries on March 26, but none of the underlying issues have been resolved and the government of Prime Minister Sir Mekere Morauta remains extremely fragile.

The several hundred mutineers only agreed to hand back the weapons in return for a legally binding statement of an unconditional amnesty, as well as a written commitment that the government would not implement an Australian-sponsored Commonwealth Eminent Persons Group (EPG) report, which proposed reducing the size of the armed forces from 4,150 to 1,900.

Morauta's cabinet adopted a National Executive Council decision, dated March 26, which had apparently been worked on all weekend by the government's legal department. It granted the amnesty via a "Commander's Directive". Since the troops did not leave the barracks, their uprising was deemed to be an internal military matter, with no disciplinary charges to be laid under the Code of Military Discipline.

However, most of the demands issued by the troops on March 22 are still outstanding. These include: (1) a permanent retirement and retrenchment package; (2) the rejection of the EPG report; (3) the convening of parliament to discuss the restructuring of the army; and (4) the expulsion of all World Bank and IMF officials, as well as Australian diplomats and military advisers.

A leader of the rebel soldiers, Captain Stanley Benny, presented a petition with these demands to Morauta, setting the government a 72-hour deadline. In a prepared statement, Benny declared: "The IMF, the World Bank and Australia should leave PNG immediately because they have only manipulated the destiny of the nation...Their foreign ideas have

completely destroyed the nation."

Benny's statement expressed considerable hostility to Australia, the colonial power in PNG until 1975, accusing Canberra of working with the global financial institutions to unfairly exploit PNG's rich mineral deposits. "The World Bank, IMF and Australian influences—I repeat, Australian influences—have denuded the nation's vast resources under the guise of assistance." He denounced the government's "irresponsible" acceptance of the EPG report "without proper consultation and debate by Parliament".

Morauta refused to accept the 72-hour deadline, however, offering only to take the demands to his cabinet. The demands threaten his government's very survival. If Morauta were to recall parliament, he would almost certainly face a no-confidence motion, leading to his government's defeat. Last year, Morauta shut down parliament for seven months until July in order to block such a motion. After July, the government will be constitutionally protected from removal until the next general election in 2002.

Any expulsion of World Bank, IMF and Australian officials would signal a break from the World Bank-IMF Structural Adjustment Program, which includes the destruction of thousands of public sector jobs and the privatisation of most government utilities. A retreat by Morauta on this program would be even more calamitous for PNG's political establishment. Without access to international credit, the government's finances would collapse and the economy would plunge into slump.

PNG authorities are already facing a serious decline in mining exploration investment, their main source of foreign revenue. It dropped from \$US87 million in 1988 to less than \$US10 million last year, according to Mining Minister Michael Laimo.

When presented with the demands, Morauta initially stalled for time. “I am not here to argue your petition,” he told the rebels. “I am here to meet you and put this incident behind us and to move forward.” He said cabinet would study the demands but not set a deadline.

Once the weapons were back in the armouries, Morauta denied that the amnesty had set any precedent and vowed that his government would not bow to the latter two demands. “Recalling of parliament is a side issue,” he declared. “Kicking out Australia and New Zealand, Japanese or other foreigners has little to do with the EPG report and the (granting of) amnesty.”

Soldiers had initially seized weapons in Port Moresby's main Murray Barracks on March 14, after news of the EPG report leaked out. The government dropped the EPG plan on March 17 and promised to begin fresh “home-grown” consultations that would not involve Australian military advisers. But the soldiers then broadened their demands.

The protest also spread to two other barracks and students opposed to the World Bank and IMF-backed measures marched to parliament, demanding Morauta's dismissal. Some trade union officials and political figures urged the troops to lead resistance to the restructuring plan. Parliamentary opposition leader Bill Skate called for Morauta's resignation.

The soldiers did not leave their barracks, however, and began further negotiations with the government involving the defence minister and senior military commanders. The guns taken from Taurama and Goldie Barracks were returned on March 22, after the soldiers' petition was presented to Morauta. But at the Murray Barracks, the mutineers' weapons were retained in a secret “centralised” location, readily accessible to the rebel leaders, until a formal amnesty was signed.

In the course of the crisis, the main regional powers—Australia and New Zealand—both made clear that Morauta could not back down to the soldiers' demands. When the mutiny broke out, Australian Foreign Minister Alexander Downer refused to rule out sending troops in, if requested by the PNG government. He also warned of sanctions if the Morauta government were ousted. Canberra regards Morauta—a former central bank governor and merchant banker—as critical to the restructuring program.

Australian media commentators were quick to back this intervention. Downer was “right to issue a firm

warning of the potential international backlash,” an article in the *Melbourne Age* declared on March 21.

New Zealand Foreign Minister Phil Goff reinforced Downer's threat. “If foreigners left as a result of the demands, confidence in PNG's future would be lost,” he declared. “This would result in loans from the IMF and World Bank drying up, and people losing confidence in investing in the country”.

In a transparent bid to prop up Morauta's government, the Howard government released a loan instalment to the PNG government on March 25. Australian Treasurer Peter Costello emphasised that Morauta had to deliver the Structural Adjustment Program: “The release of the second US\$10 million tranche of the December 2000 loan is a further demonstration of the Australian government's continuing confidence in the reform program of Sir Mekere, which has recorded significant achievements in the past year and a half.”

Further social conflicts are inevitable as the Morauta administration launches a new stage of the restructuring program. No sooner had the weapons been handed back in, than the government announced that an Australian consultant, Mike Hutchinson, would supervise the privatisation of Papua New Guinea Telecom and Post PNG.

The situation remains highly volatile. Not only is the government flying in the face of the soldiers' basic demands, but its backdown on the EPG report and its unconditional amnesty have set a precedent that could encourage further resistance.

See Also:

Week-long military revolt shakes Papua New Guinea government
22 March 2001



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact