

# Papua New Guinea reacts angrily to call for direct Australian intervention

**Will Marshall****6 May 2003**

A report released in March entitled *Papua New Guinea on the Brink* calling on Australia to adopt a more “intrusive” approach to its former colony provoked a sharp reaction from the PNG government last month. Arguing that PNG was following other Pacific countries “down the path to economic paralysis, government and social despair,” the report bluntly urged Canberra to ignore “charges of neocolonialism” and to intervene more directly, if necessary militarily, to prevent the country descending into “terminal decline”.

The study was co-authored by Susan Windybank from the conservative Centre for Independent Studies (CIS) in Australia and Australian expatriate Mike Manning, who is one of PNG’s most widely known economic commentators. Manning directs the privately-owned PNG Institute of National Affairs and is associated with big business in PNG and Australia.

Manning and Windybank paint a devastating picture of the social and economic crisis in PNG, pointing out that its social indices—life expectancy, years of schooling, infant and maternal mortality rates—are closer to those of sub-Saharan Africa than to the rest of the Asian Pacific region. Its gross domestic product has risen only marginally since independence in 1975. With massive unemployment of between 40 and 60 percent, the country is on the verge of another financial crisis, with interest payments absorbing more than half its development budget.

The report condemned virtually every institution. “PNG’s dysfunctional institutions suffer from a lack of legitimacy as much as they do a lack of capacity or resources,” it stated. The military and police are “under-resourced, poorly equipped and ill-disciplined”. The judiciary’s authority, at least in the lower courts, has been “eroded,” while “the legal system seems incapable of bringing either small or large crooks to justice”.

The authors wrote scathingly of PNG politicians,

declaring: “Nepotism is entrenched at the highest levels”. Australian funding, it declared, has “subsidised the rise of a small political elite and overblown central government at the expense of investment in infrastructure and diversification of the economy.”

It went on to warn: “The government appears to have lost control of parts of the oil-rich Southern Highlands, which are contested by strongmen and criminals. This chaos is spreading to other parts of the country. Australia will not be able to ignore any fallout. There is no ‘exit strategy’.”

Significantly, however, the authors are completely silent on the responsibility of Australian governments and big business for creating this crisis. A century of Australian colonial rule left PNG as one of the poorest and least developed countries in the world. Its infrastructure was designed to serve the mining, trading, financial and plantation companies that dominate the economy. Nearly three decades after independence, much of the population still survives by subsistence farming, and most of the country is inaccessible by road.

About half of the economy is owned by Australian big business which has \$2.3 billion in investment in mining, retail, banking and other areas. Last year’s budget was largely dictated to Port Moresby at an Australia-PNG Ministerial Forum, attended by Australian Foreign Minister Alexander Downer and IMF and World Bank representatives. Its main feature was huge tax exemptions for mining investors paid for by drastic spending cuts to the public service and education.

It is concern over these same business interests that prompted Manning and Windybank to call on Canberra to intervene directly. “The emergence in PNG of what are regarded as attributes of a ‘failed state’ suggests that Australia should rethink its relationship with PNG now to avoid high costs in the future,” their report stated.

The authors emphasised that too much was at stake for

Australia to be concerned about accusations of “recolonising PNG and propose a series of steps to Canberra. They suggest that Australian economic aid, which has been cut back and increasingly tied to specific projects, be refined even further so as to put pressure on the PNG government. A “more activist approach” would also “involve sending teachers, doctors and policemen instead of short-term consultants and advisors to PNG”.

Failing that, however, the report referred to the need for a military option, not only in PNG, but elsewhere in the Pacific. Published on the eve of Australia’s participation in the US-led invasion of Iraq, it declared: “Australia has an Iraq taskforce when it needs a Melanesian taskforce”. In other words, as in Iraq, Australian imperialism has to be prepared to defend its interests in the Pacific militarily.

Not surprisingly the PNG government reacted angrily to the publication of the report and its recommendations. Prime Minister Michael Somare called for the Parliamentary Privileges Committee to conduct a hearing into whether the document constituted contempt of parliament.

Manning appeared before the committee on April 3, as did the head of the PNG superannuation fund Rod Mitchell. He was summonsed over articles that appeared in Australia and PNG in January expressing concerns over rising crime and the security of his family in PNG. Manning, however, was the real target.

Prior to the committee hearing, its chairman Gumini MP Nick Kuman pre-empted its outcome by saying that the government intended to introduce new censorship laws. He complained that the committee did not have the powers to prosecute publishing houses and foreshadowed legislation to provide “effective and justifiable means to deter critics who persistently and knowingly publish damaging articles.”

The media described the committee’s proceedings as a “kangaroo court”. Manning’s request for a lawyer was denied, as was his appeal to know what allegations were being made against him. Kuman simply retorted: “I don’t have to explain to you why you are here.” Committee member Kimson Kare admitted that he had never actually read Manning’s report.

The two main PNG newspapers denounced the government’s sweeping moves to stifle freedom of speech. The ill-considered and anti-democratic character of the response reflects the government’s impotence in the face of growing domestic discontent and the demands of Canberra. Its immediate concern was the report’s potentially damaging impact on foreign investment in

PNG. Indeed, Chevron-Texaco recently announced that, after two decades, it was pulling out of PNG, further weakening the prospects for the much vaunted \$6.8 billion PNG-Queensland gas pipeline.

The PNG government, however, rapidly received a rap over the knuckles from Washington. The US ambassador to PNG, Susan Jacobs, who rarely makes public statements, publicly opposed the Kare’s announcement and pointedly attended the Parliamentary Privileges Committee hearing. It was enough to produce a backflip by the government, which issued a media statement declaring that Kare’s plans did not “necessarily reflect the official view”.

The Somare government confronts an impossible situation. An unstable coalition of 13 separate parties and 20 independent MPs, it is incapable of dealing with the intractable economic and social problems plaguing PNG. Like his predecessors, Somare has dutifully attempted to implement the demands of the IMF, World Bank and Canberra for further economic restructuring and thereby heightened social and political tensions inside PNG.

Now a discussion is taking place in Australian ruling circles to the effect that, as the CIS report puts it, “the longstanding ‘hands-off’ approach of respecting PNG’s sovereign right to make its own choices... has not worked”. Just over a quarter of a century after independence, Somare and the rest of the PNG ruling elite face the prospect of a return by Australia to more direct rule over its former colony.



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