

US envoy to Australia reveals joint bid to block Huawei in Papua New Guinea

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In a blatant political intervention, the US chargé d'affaires to Australia, James Carouso, last week announced that the United States, Japan and Australia have made a domestic internet cable proposal to Papua New Guinea (PNG) to counter an offer by Huawei, the Chinese telecommunications giant.

Back in October 2016, Huawei announced plans to establish a 5,457-kilometre marine network, covering 14 of the most populated cities in PNG, which would also connect to Jayapura, Indonesia, a major access point to global cable systems.

The design capacity of the network would be 8 terabits per second, which could meet demand for bandwidth in PNG for more than 10 years, the company said. In addition, the network would cover more than 55 percent of PNG's population, and provide more than 70 percent of the country's bandwidth by 2026.

Australian government ministers had refused to comment in public about the affair, but Carouso—who is the top US representative in Australia, as there is currently no ambassador—answered a reporter's questions bluntly. "We're working on a counter offer," Carouso told the Australian Broadcasting Corporation on September 28. "These are negotiations that are going on."

To avoid accusations of US interference in PNG, Carouso quickly added: "Absolutely up to the PNG government at the end of the day." However, the fact that Carouso chose to make very public the pressure being applied to the PNG government to abandon the deal with Huawei is clearly a shot across the bows of both the PNG and Australian governments.

In particular, the Australian government, currently led by the recently-installed Prime Minister Scott Morrison, is under mounting pressure from Washington to place itself on the frontline of the intensifying US economic and military confrontation with China, and to do much more to block Chinese influence in the South Pacific.

Sharing a land border with Indonesia, PNG is the most populous, strategically-located and resource-rich state in the

southern Pacific. An impoverished colony of Australia until 1975, it is also regarded in ruling circles in both Washington and Canberra as part of Australian imperialism's sphere of domination in the region, under the umbrella of the overall US hegemony established in World War II.

While nominally independent, the PNG government of Prime Minister Peter O'Neill has been trying desperately to balance between the US and Australia, on the one hand, which hold sway militarily and in terms of investment in giant mining projects, and China, on the other, which has been stepping up investment and aid projects in PNG.

The rival geo-strategic stakes in the country are being accentuated by this year's Asia-Pacific Economic Cooperation (APEC) summit, being held from November 12 to 18 in the PNG capital of Port Moresby, where Chinese President Xi Jinping is expected to announce further Chinese projects.

PNG's Minister for APEC, Justin Tkatchenko, told *the Australian* that PNG is willing to work with Australia on the domestic internet network if it offers a better deal than Huawei. At the same time, he flagged Xi's anticipated major announcements, including the development of the Frieda River mine—one of the world's largest untapped gold and copper deposits—by Chinese-owned PanAust Ltd.

Carouso's intervention came in the context of the Trump administration's escalating economic warfare against China, now accompanied by unsubstantiated accusations of election "meddling" by Beijing to try to oust Trump. It also preceded by two days a provocative US naval operation inside territorial waters claimed by Beijing in the South China Sea, triggering a near-collision with a Chinese warship that could have sparked a military conflict.

For all the allegations of Chinese, as well as Russian, "interference" in other countries, Carouso's declaration highlights the fact that by far the greatest "meddling"—including coups, regime-change operations and assassinations—is conducted by the US and its allies.

According to the *Australian*, the US-Japan-Australia "counter offer" to PNG is designed to be the first investment

of a new trilateral infrastructure fund established recently to counter China's "One Belt One Road" project to build transport and communications links across the Indo-Pacific region, connecting China to Europe.

This is the third major move by an Australian government, clearly acting at Washington's behest, against Huawei, the world's largest telecommunications equipment supplier.

Most recently, in August, just before the internal Liberal Party coup that ousted his predecessor Malcolm Turnbull, then-Treasurer Morrison announced that the Liberal-National Coalition government would effectively block Huawei and another Chinese company, ZTE, from supplying equipment to Australia's planned 5G network, due to unexplained "national security" concerns.

Earlier, in June, Turnbull's government insisted it would pay most of the cost of an undersea internet cable from a Sydney broadband hub to PNG and neighbouring Solomon Islands. The Solomons' government had signed a contract with Huawei in 2017 to build the cable, but then agreed to renege on the contract.

In 2011, Australia's last Labor government set the precedent for these anti-Huawei operations by banning the company, also on "security" grounds, from bidding for contracts related to Australia's broadband network. That decision was taken by Prime Minister Julia Gillard's government, which lined up behind the Obama administration's "pivot to Asia" to combat China after Gillard's predecessor Kevin Rudd had been ousted by an internal Labor Party coup.

Rudd, like Turnbull, was regarded in Washington as unreliable because he advocated that the US accommodate somewhat to the economic growth of China, Australian capitalism's largest export market. As leaked US diplomatic cables, published by WikiLeaks, later documented, Rudd's removal was orchestrated by US embassy "protected sources" within the Labor Party.

Since being placed in office on August 24, Morrison has sought to assure Washington of his commitment to the US preparations for war against China. Last month, the Murdoch media reported that his government intends to announce, before the APEC summit, a plan to develop a joint naval base on PNG's highly-strategic Manus Island that would host US and Australian warships, as it did during World War II.

Despite Morrison's moves, which included inviting Trump to visit Australia, the US-China conflict is continuing to drive rifts within the Liberal-National government. After this week's near-collision in the South China Sea, Morrison said his government would seek to calm the situation.

Morrison told Fairfax Radio it was in everyone's interests for prosperity to continue in the region. "We're cool heads

in this situation. We have very strong relationships with both the United States and China," he said.

These comments reflect the interests of sections of the Australian corporate elite, including mining, pastoral and education businesses, that depend heavily on revenues from China. There are also fears in the ruling class that involvement in a potential US nuclear war with China would ignite intense anti-war opposition, further fuelling widespread political disaffection.

However, elements in the Liberal Party's most right-wing and militarist faction, which plotted Turnbull's removal, contradicted Morrison. They urged the government to join the US in conducting "freedom of navigation" provocations within the 12-nautical mile zones around Chinese-occupied islets in the South China Sea, which the Turnbull government refused to do.

Parliament's foreign affairs and defence committee chairman Eric Abetz, a former cabinet minister, said: "Freedom of navigation, if it is claimed, needs to be exercised in the area and not close to the area to indicate our strength of feeling."

Intelligence and security committee chairman, former Special Forces officer Andrew Hastie, declared: "My instinct is to always back your mates up. It's the right thing to do and if you don't, bullies will come for you next."

These declarations indicate that the divisions that led to Turnbull's removal have not abated. Instead, they are escalating as Washington heightens its incendiary efforts to stop China from gaining any capacity to challenge US imperialism's global hegemony.



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