The Last Domino

“If you cannot define freedom in your own country or in the Territory of Papua-New Guinea, I doubt very much if you can contribute to freedom in Vietnam.”—John Kaputin, Sydney, 16/9/70.

THE AUSTRALIAN AUTHORITIES cut their teeth, in terms of foreign affairs, on New Guinea when, back in 1883, the Queensland Colonial Government attempted to annex all of New Guinea east of the present border of West Irian. By the end of World War I, a modest measure of political, military and economic hegemony had been established there by Australia’s rulers.

Post-1945 development, particularly since 1949, has produced a new era of Australian foreign policy focussed on a deliberate involvement as junior local partner of neo-imperialist great powers, in a strategic attempt to deny control of the South East Asian region to the revolutionary people of its component countries. A concept of foreign-led military and police action which came to be known as “counter-insurgency” was developed by the concerned western powers. The British in Malaya, learning from the failures of the French in Indo-China and Dutch in Indonesia, refined it with the help of Australian Army units in the 1950’s. Counter-insurgency based on the use of force has remained the core of Australia’s policy towards SE Asia.

Papua-New Guinea, though only recently in the spotlight of Australian political controversy, provides the most comprehensive demonstration of the aims and attitudes underlying the policy of Australia’s rulers towards all our near neighbours. It is the only country outside Australia in which Australian administrators make the main decisions and Australian investors and companies are the dominant exploiters of labor and resources. Australia is the

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colonialist power in PNG just as was France and then the USA in Indo-China, and Britain in the Malay Peninsula. Just as the historic tides of revolution are squeezing those western imperialist powers out of SE Asia, so pressures are building up against continued Australian overlordship in New Guinea.

The Australian Economic Stake

Until the 1960’s, economic development of PNG moved at a leisurely pace. The scene had long been dominated by three Australian companies. The first was Burns Philp, registered in Sydney on April 1, 1883, to begin contesting the known operations of German colonial trading companies around New Guinea. BP, which is thus as old as Australian concepts of New Guinea as a necessary defence bastion, expanded through island trading, shipping, plantations, hotels, retailing, travel and shipping agencies, insurance and trustee operations.

W. R. Carpenter & Co. Ltd. was next, founded 1914. In activities not unlike those of BP, by 1969 ordinary capital was $18m and net profit for the year more than $6½m. The third, Steamships Trading Co. Ltd., is the youngest of the trio, founded 1924 in Port Moresby.

After World War 2, the world upsurge against colonialism became reflected in the United Nations. By 1962, the UN Visiting Mission reported in terms sharply critical of Australian paternalism in New Guinea and urged a crash program of training and progressive handing over the the responsibilities of administration and government. It urged that the Australian Government “should cease its courtship of speculative capitalists who might be tempted to investigate and invest in New Guinea”.

However, the ’sixties saw vast changes that paid little heed to that injunction. An increasing swarm of Australian companies and individuals descended on the expanding urban centres such as Port Moresby, Lae, Rabaul and Madang to establish construction firms, car sales agencies, timber extraction and processing plants, soft drink factories, service industries. Air transport, the only significant form of travel, was integrated into Australia’s two-airline systems. Australian Consolidated Industries, Australia’s biggest glass manufacturers, drew the lesson of high profitability of its big Singapore works and its Kuala Lumpur and Fiji operations, and opened a bottle and container plant at Lae. Carlton United Breweries joined with a Japanese partner to open PNG’s first big brewery.

1 Osmar White, Parliament of 1000 Tribes.
From 1955 and still more in the late 'sixties, oil search companies representing most major oil interests overseas began finding oil and gas. Minerals became very big. First came the giant copper project in Bougainville, from which a subsidiary of Conzinc Riotinto of Australia, after extensive site construction by Australian and American firms, aims to take out 160,000 tons of copper ore a year, worth $200m annual at present, for the next 35 years. America's Kennecott Copper claims to have found even richer ore near the West Irian border, and an associate of Mt. Isa Mines is chasing copper in the highlands. In 1964 a group of Australian banks, insurance and industrial interests formed the Australian New Guinea Corporation Ltd., "to attract and develop investment in Papua and New Guinea". One of its directors, Sir James Kirby, soon had a refrigerator plant operating in Port Moresby.

To keep some rationality in such a wave of investment and to promote foreign capitalist enterprise, there was established in 1965 on the recommendation of a World Bank visiting mission, the Papua and New Guinea Development Bank, wholly Government-owned, its operations being financed from the Administration budget. Though chartered to seek "balanced development" and "the advancement of the indigenous population", in practice "most of the bank's loan money has gone to expatriates". All this was developing on the basis of the most ruthless exploitation of the black workers.

The monetary and banking system of PNG is largely that of Australia. The Australian foreign exchange system is equally applicable to the Territory. The powers of Australia's central bank, the Reserve Bank of Australia, apply to PNG. All trading, savings and development finance facilities are provided by branches of Australia's banks: Commonwealth Banking Corporation, Bank of NSW, ANZ Bank and the National Bank of Australasia. The 1963 Mission of the International Bank for Reconstruction and Development (Report, published 1965) declared that establishment of a separate monetary system would not be of economic advantage to the Territory. It noted that existing access to foreign exchange through Australia and complete freedom of payments between PNG and Australia were factors "of paramount importance from the point of view of confidence of the foreign investor. The necessity for a central bank will only arise in case of political independence of the Territory and even then there may be advantages to a close relationship, if such could be arranged, between the Territory and Australia".

2 Dr. P. W. Curtin, manager, PNG Division, Reserve Bank of Australia, 12/9/69.
The Mission forecast the need to reduce salary levels in public service and private employment in the future as more and more posts were passed over from expatriate to indigenous employees. (One of the first actions taken in 1964 by Barnes as Minister, appointed at the end of 1963, was to cut indigenous Public Service salaries by 40 per cent.) New land laws for PNG introduce a system of registered land titles which, for the first time, will enable companies or individual white capitalist farmers, industrialists or businessmen to buy land direct from indigenous title-holders. Up to the introduction of this law, such investors could only buy land which the Administration had first acquired from the New Guineans at some time — whether by force, purchase or trickery.

Little wonder that an Australian Financial Review correspondent was able to write (12/8/70) that the new land system “would stimulate foreign investment in agricultural development projects”.

This accelerated rate of development, stimulated by government concessions and subsidies to private industry, has abruptly projected thousands of New Guinean people into an understanding of racial discrimination in wage rates, of resistance to land alienation, of trade unionism and strikes. Displacement of communities from traditional lands (e.g. at Arawa in Bougainville) has stirred others into understanding that they, or their forbears, had been robbed of lands in the earlier colonial period.

Such profound stirrings have, not surprisingly, led investors to hesitate about the future of PNG as a region of super-profitable exploitation. They become more nervous over statements by men like young Mataungan leader John Kaputin that

An independent Papua-New Guinea would have to consider expropriating Australian and foreign enterprises unless there was a change in Australian economic policies in the Territory.3

There can be little doubt that the replacement of Administrator O. D. Hay in May, 1970, accompanied by Minister Barnes’ announcement that he would step down at the next election, was due to the insistence of big modern capitalist interests who were worried by the continuance of old-style, pro-planter policies that had provoked the massive and defiant demonstrations in Bougainville and New Britain (1969). An example of investors’ backlash was the announcement in May, 1970, by Steamships Trading Co. of the abandonment of a scheme for a $4m international-standard hotel at Lae, due to “loss of confidence” by overseas financial backers.

3 Council of NG Affairs, Sydney seminar, September, 1969.
Administrator Hay, at the opening of the ACI factory at Lae, was doubtless voicing an urgent Canberra directive when he told investors that future investments in the Territory would be secure. The business community need pay no attention to rumors that the Government is planning the introduction of a separate currency or some form of exchange control which might impede the remission of money from the Territory to Australia.*

This confirmed a 1966 Federal Government stipulation that development of the Territory was “dependent upon outside capital”.

**Political Strategy**

Despite this rapidly expanding and rich stake in PNG, Australian Liberal-Country Party governments have had to cope with the UN pressure to implement the undertaking, under the Trust Agreement, of development of PNG toward self-determination. Whereas on December 4, 1959, the then Territories Minister Hasluck had approvingly quoted Prime Minister Menzies’ earlier words: “Here we are and here we stay”, already by June 20, 1960, Menzies himself admitted he had changed his views and favored self-government “sooner rather than later”5. In 1963 Menzies said: “We look forward to the time when those Territories (Papua and New Guinea) will be completely politically and economically independent”6.

It is interesting and significant that in 1965 came clear signs (from the new Territories Minister Barnes) that there were second thoughts in Canberra, and that a search was on for alternatives. “The people of the Territory might seek some closer association with this country,” said Barnes. He spoke of a “variety of arrangements” possible between “self-government” and “sovereign independence”.

Today, at the beginning of 1971, the Government is committed to the process of handing over a limited range of internal administrative responsibilities to departments in Port Moresby headed by indigenous Ministerial Members (of the House of Assembly) while retaining the formal right to intervene7. This is preparation for “self-government”. “Independence” is quite a different category. Control of police, armed forces and law courts, external affairs and trade, civil aviation and large-scale development projects

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* Australian Financial Review, 26/5/70. Interestingly, only seven months later, Administrator L. Johnson had to repeat this assurance.
* Peter Hastings, New Guinea: Problems and Prospects, Ch.7.
* Jefferson Oration, in the USA.
* Prime Minister Gorton’s speech, Port Moresby, 6/7/70.
— all at present retained by Canberra for the indefinite future — would all have to be taken over by a politically independent, indigenous government. No government spokesman has estimated how far ahead that might be. The latest formulation of policy on this crucial point came at the end of 1970: "There was no change in the Australian Government attitude to PNG independence. The Government did not intend to impose a timetable on independence. It would depend on the wishes of the majority." At the same time, there have been many signs that the Government secretly aspired to arrange an "independent" PNG that retains a "special relationship" with Australia. For example, Mr. Barnes:

Overseas investors will take renewed confidence from the Government’s declared policy that large-scale Australian aid will continue to be made available to Papua and New Guinea after self-government and independence, and from the Government’s offer to selected experienced overseas officers of the Territory Public Service, of a new guarantee of permanence under the Commonwealth.

The Labor Party leadership, on the other hand, has taken a stand for short-term time-tables for self-government (1972) and independence (1975). By this means, ALP Leader Whitlam has in 1970-71 provoked useful controversy in PNG over Government intentions. Exposures of the degree of exploitation of plantation workers (wages as low as 17c a day and "keep") and of employer indifference to labor laws were also useful. However, his studious avoidance of any criticism of the transcending role of big-scale foreign industrial and mineral capital has made clear the Whitlamite view of "independence" as neo-colonialist in nature and, explicitly, to "do the same" as Fiji (an ex-colony now dominated by Australian capital).

**Forces of Coercion**

Given that the last two years have seen the most serious and politically conscious demonstrations of defiance of Administration authority, what is the substantial basis of the Government's repeated assurances to Australian and other investors in PNG?

The most important thing for Australians to comprehend about the Royal Papua and New Guinea Constabulary is that this force

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8 Except when Minister Barnes caused uproar in April, 1968, by assenting to a pressman's suggestion that independence might not come for "20 or 30 years."

9 Minister Barnes, quoted in Port Moresby Post-Courier, 21/12/70, commenting on reported statement by Australian High Commissioner N. F. Parkinson in Singapore, that PNG might have independence "by the end of the decade".

10 This idea was also suggested in the World Bank Report, 1965.

11 Mr. Barnes, at Port Moresby, 6/7/70.
of more than 210 officers and 3267 other ranks is not so much a police force in the Australian sense as a fully trained modern infantry formation. It grew from forces set up by both British and Germans before 1900. At all stages the constabulary had been fully armed with rifles and bayonets and trained in military fashion. Today, still bearing rifles, they also have modern "anti-riot" training and have used tear-gas against their countrymen both in Bougainville and New Britain. They are quickly mobilised in formations of 1000 or more (e.g. at Rabaul) by means of RAAF transport aircraft. Chartered helicopters are used for patrolling, in radio coordination with motor vehicles. A police dog section is trained in "patrolling and crowd handling". There is a Special Branch which "deals with the police security aspects of the Territory.

The short history of the PNG organs of coercion, however, is not without internal dispute. In July, 1964, in Rabaul, 50 indigenous police constables mutinied and marched through the town, abusing their white officers and protesting against food and conditions in such terms as "we eat like pigs" (Australian, 27/7/64).

Such incidents perhaps lent conviction to the statement of political philosophy by Police Commissioner R. Cole at the Returned Servicemen's League annual congress, Lae (14/8/65), that the greatest dangers to Papua and New Guinea did not arise from military attack:

... Rather we must be prepared and watch for a much more insidious approach... the greatest danger to Papua and New Guinea is from the creation of discontent and dissatisfaction towards employers and governments...15

The other significant feature of the Constabulary is the Government's evident fear to promote indigenous graduates from Bomana Police College above the rank of Sub-Inspector, and the white racist monopoly of its senior officer ranks

12 Figures were correct at 30/9/69.
13 External Territories Dept. Journal, May, 1970. Figures given in the House of Assembly have indicated that the weekly ration of a police dog costs more than the average weekly rations allowed to a plantation worker.
14 E.T.D. Journal, May, 1970. The first head of the Special Branch was Deputy Commissioner A. Erskine, who had been imported from the post of chief of the British Colonial Police Special Branch in Uganda, East Africa.
15 For a political activist's view of the police, see John Kaputin, Mataungan spokesman (Post-Courier, 16/12/69): "Do they think we are animals, pigs, that they bring these dogs here to fight us?"
16 See Sydney Sun-Herald (18/1/70): When police reinforcements were being mobilised in Port Moresby in early December, 1969, for the air dash to Rabaul and a big offensive against the Mataungan Association members, "no senior native police were invited to the police conference (in Moresby) at which this was discussed, but seven former South African police officers now in the Royal Papua and New Guinea Constabulary had taken part."
The Pacific Islands Regiment, established in 1951, followed the organisation in World War 2 of two indigenous infantry battalions, quite independently of the police. In 1964-65 (the period when Australia committed combat units to Vietnam) the Federal Government decided on a $40m, three-year military construction program of army barracks, airfields and reactivation of naval facilities. Main expenditure went on the Army. Two fully established PIR units were by 1970 up to 2460 in strength, based centrally at Moresby and Wewak, but with barracks also at Lae and Vanimo. Significantly, immediately following the confrontation of 1000 police with the Tolai of the Mataungan Association in August 1970, it was announced that a permanent PIR camp was to be set up in East New Britain, thus implementing Prime Minister Gorton's instruction during the confrontation that the Army could be used to back up police. PIR officers are almost all posted for duty from the Australian Regular Army, but a few indigenous men have graduated as officers after intensive training at Portsea (Vic.). There is a militia force, the PNG Volunteer Rifles, totalling about 560 men with HQ at Port Moresby and sub-units at Lae, Madang, Goroka and Banz. Military cadets are being enlisted in PNG schools at a faster rate than anywhere in Australia.

The Royal Australian Navy has a PNG division equipped with modern patrol boats, with HQ at Lombrum, Manus Island. There is a base also at Port Moresby with navy transport vessels and army small ships. Recently two Navy patrol boats successfully cruised 500 miles up the Fly River to a point close to the Kennecott Corporation's rich copper ore testing concession near the western border.

A flight of RAAF Carabou transport aircraft, used for lifting of troops, police and/or supplies, is stationed at Port Moresby. Since 1965, a new airfield at Boram near Wewak has been built to service standards, and the airfield at Nadzab (near Lae), Daru (on the south-west coast) and smaller strips across the Territory near the western border have been modernised and extended. In general the RAAF regards PNG as part of its normal area of operations from Australian bases such as Townsville and Darwin.

What is the envisaged role of these police-infantry and the regular armed services? A most significant incident occurred on April 16, 1968, at a Canberra press conference given by visiting Indonesian Foreign Minister Malik. He told pressmen that Australia and Indonesia were discussing bilateral "defence" arrangements to cover the whole of New Guinea. He said they could cooperate for such a purpose. "If the threat is from outside,
we can oppose it together. If the threat is from within, we can cooperate to wipe it out”. The next day, following agitated advice from the Australian External Affairs Department, Malik called another press conference and said there had been an interpreter’s mistake. There had been no talks on defence — only on a trade, aid and cultural agreement. Nevertheless, Malik’s incautious statement amounted to confirmation and elaboration of an earlier statement by Paul Hasluck as External Affairs Minister — that although Indonesia had said it would not join military pacts the Indonesian Government is cooperating in practical ways with neighbouring countries for mutual security and has indicated that military cooperation with neighbouring countries can develop.

More recent comments on the role of the PNG forces include the following: F. A. Mediansky, post-graduate research student, Sydney University Department of Government (New Guinea Quarterly, Vol. 5, No. 2, 1970):

It is felt that the police force, with about 3,300 members, could not simultaneously handle several civil disturbances on the Bougainville scale. The Government is considering ways in which the army could be used to maintain internal security. It could be used to support the police by providing logistic and transport facilities, or to guard designated areas, or it could be used directly for riot control or armed military intervention.

Mediansky notes that military and military-related projects have been costing $23m a year in PNG in recent years. He considers that few indigenous officers will be eligible for senior military rank in the next 10 years or so. Hence, in saying “perhaps the most far-reaching consequence for the future of civil-military relations in New Guinea would be the use of the army to maintain internal security”, Mediansky envisages its use by continuing effective Australian military command, whether before or after “independence”.

Dr. T. B. Millar, perhaps the best-known civilian academic military expert in Australia, and a research fellow in international relations at the UN, writes (New Guinea Quarterly, Vol. 5, No. 2, 1970, on Melanesia’s Strategic Significance):

It would make a very considerable difference to Australia’s strategic position if Papua-New Guinea were under the control of a government unfriendly or overtly hostile to Australia.

But what worries Millar most is suggested by this passage in his book, Australia’s Defence (p. 176):

“The potential situation to which we should give most consideration is not Indonesian attack on Papua and New Guinea but a campaign which some

17 Tribune, 24/4/68.
18 Hasluck to Federal Parliament, statement on 1968 visit to S.E. Asia.
later Indonesian government might launch to ‘liberate’ the area through subversive operations . . .”. He continues:

“Here is a fragile vessel for self-government, independence or nationhood. In determining its relationship with the Territory, Australia must not yield to international clamour or indigenous demagogyuery . . .” (p.180).

Peter Hastings (NEW GUINEA: Problems and Prospects, Chapter 7), writes:

While East New Guinea remains a dependency of Australia, armed rebellion against the Administration for any reason, including that of external subversion, would have the character of sedition demanding Australian military intervention.

Tracing in detail the evidence of Australia’s persistent reluctance to describe independence as Australia’s sole political aim for New Guinea, Hastings (whose views are not ignored by the Gorton Government or by ALP leader Whitlam) finally tends to favor a continuing “special relationship” between the two countries “after independence”:

The arrangement might well cover Australian aid in maintaining New Guinea’s army and police forces which will be necessary for New Guinea’s post-independence internal security, the greatest of New Guinea’s post-independence problems and a matter of great concern to Australia.

It is in conjunction with such concepts and such armed forces that the new Public Order Bill, passed last September in PNG, must be seen. It includes power to exile or confine to his home district a person whose words or actions are “likely to lead to disorder”; up to $500 fine or a year’s jail for anyone holding a meeting or procession in a “declared” area without a permit; and many other obnoxious and tyrannous features.

**Conclusion**

PNG is an Australian colony, in which there is the largest external Australian private and corporate investment, rapidly expanding on the basis of government guarantees of future security. But there is rising internal struggle as the national independence revolution takes shape inexorably. Australians are increasingly coming into violent conflict with the people in PNG, through command of police-infantry and regular armed forces. All Australian armed forces are ready to intervene in a counter-insurgency role.

In this sense, PNG — a country very well suited to guerrilla warfare — is approaching a state of crisis already seen in SE Asia and is a potential theatre of large-scale counter-revolutionary war by Australia’s rulers. Each step in that direction should be opposed strenuously by the Australian anti-war movement, for it is essentially the same issue as Vietnam.