

PORT MORESBY AND THE BUSH: PAPUA
NEW GUINEA'S FIRST
POST-INDEPENDENCE DECADE*

In September 1985 Papua New Guinea celebrated its first decade as an independent nation. The occasion was not without its detractors. Amongst residents in the national capital, Port Moresby, there were complaints that the festivities – stage-managed by a long-serving expatriate – were geared primarily to foreign visitors and neglected ordinary Papua New Guineans. Amongst the foreign visitors some Australian former residents left with a feeling that the place was not what it used to be in their day; they spoke of the scruffiness of Port Moresby, of the high security fences which have gone up around urban residences in recent years, of high prices, and administrative inefficiency. In the country's 19 provinces the celebrations were often very modest and sometimes rather disorganised affairs, partly reflecting a general tightness of budgets and partly because in some provinces the capacity to organise such events is weak. But despite the niggling, Papua New Guineans could point with pride to their country's achievements.

Following Papua New Guinea's third national elections in 1972 Michael Somare became chief minister at the head of a nationalist government. He subsequently led the country to self-government in 1973 and independence in 1975. In a situation which begs comparisons with the Labor government which came into office in Australia in the same year, Somare in 1972 faced a number of

* This paper, which reviews the first decade of Papua New Guinea's independence, was first published in *Current Affairs Bulletin* 63(8), January 1987.

problems. He and his political colleagues were inexperienced in government; they desired a basic social, political and economic transformation of their country in the shortest possible time and they distrusted much of the inherited Australian-dominated bureaucracy. In addition the Somare government seemed to be faced with a serious threat of political fragmentation from a variety of local and regional movements, including a loosely articulated separatist movement on the copper-rich island of Bougainville.

Compared with the Whitlam government, let alone with the experience of other newly independent states in Africa and Asia, Papua New Guinea fared well. Within the framework of a 'home grown' constitution a parliamentary system became firmly established. Somare was returned as prime minister in 1977, as leader of a four-party coalition, and though he lost office through a vote of no confidence in 1980, he was returned after the 1982 elections. He retained office until late 1985 when a split within his Pangu Pati and a further vote of no confidence brought former Deputy Prime Minister Paias Wingti to office. There were, in other words, only three changes of government between 1972 and 1986 and on each occasion the changeover proceeded smoothly along constitutional lines.

Administratively, the public service survived a rapid localisation and some fundamental restructuring, though it remains large and in a number of respects (particularly its ability to deliver services to rural areas) its efficiency has declined. Economically, the government established a viable financial system (at the time of writing, in 1986, the Papua New Guinea kina exchanged at a rate of about K1=\$A1.54) and, greatly assisted by Australian budgetary support, successive governments have acted with reasonable fiscal restraint. Although, like many other export-oriented Third World countries, Papua New Guinea's economy has suffered from fluctuating commodity prices and adverse movements in its terms of trade, large-scale mining ventures have provided, and seem likely to provide for some time, boosts to for-

eign exchange earnings, government revenue and private investment. [Following the outbreak of fighting on Bougainville in 1988, the Panguna gold and copper mine closed in 1990. See chapter 12.] The threat of political fragmentation has subsided, in large part as a result of an ambitious programme of political decentralisation. Despite the problems – and they are not inconsiderable – provincial governments are now well entrenched and are becoming increasingly a source of political and administrative initiative. [A later assessment of the provincial government system is contained in chapter 7.] Externally, apart from recurring flurries along the border with Indonesia, Papua New Guinea has enjoyed cordial relations.

This extremely superficial and generally positive review, however, should not be taken to imply that Papua New Guinea does not have problems. A more balanced assessment of where Papua New Guinea stands after 11 years of independence might be gained by looking in somewhat more detail at developments in five broad areas: party politics; the economy; provincial government; the ‘law and order’ issue in its broader socio-economic context, and the Papua New Guinea-Indonesia border.

Party politics

In the later years of colonial rule there was a common expectation amongst political commentators that, with the establishment of parliamentary democracy, a stable two-party or three-party system would develop (though some more radical thinkers predicted a democratic one-party state). Indeed, by 1972 there were four political parties with a significant following, as well as a small number of regionally-based popular movements (including the separatist Papua Besena and the Gazelle-based Mataungan Association) which supported candidates in the elections of that year. About a quarter of the candidates who stood in 1972 were endorsed or supported by political parties. Although the highlands-based and generally conservative United Party

(UP) gained the greatest number of successful candidates, the outcome of the 1972 election was a coalition government dominated by the progressive Pangu Pati under the leadership of Somare. The other principal elements of the coalition were the People's Progress Party (PPP) led by Julius Chan, the National Party (NP) led by Thomas Kavali and later by Iambakey Okuk, and the Mataungan Association, whose most prominent spokesman was John Kaputin. Despite some differences, ideological and personal, this coalition survived more or less intact throughout the life of the 1972-77 parliament.

In the country's first post-independence election, in 1977, parties were somewhat more salient but again the outcome of the election was determined by post-election lobbying of successful candidates and the Somare-Chan coalition was returned to power. Okuk, who had been sacked from the Somare ministry and had crossed the floor in 1976, subsequently emerged as leader of the opposition. As the result of a falling out between Somare and Chan, in 1978 the PPP withdrew from the coalition, but a split within the UP brought some of that party's members across the floor and Somare was able to survive three parliamentary votes of no confidence. In early 1980, however, further tension in the coalition led to the withdrawal of prominent island members Kaputin and Fr John Momis and the creation of a new party, the Melanesian Alliance (MA). Soon after, a successful no confidence motion removed Somare from office and Chan became prime minister at the head of a National Alliance government comprising PPP, NP, MA, Papua Besena and the remnants of UP. This improbable coalition remained in office until 1982, when Papua New Guinea held its second post-independence election.

In 1982 political parties were more visible and more active than in any previous election. Pangu, PPP, UP, NP, MA and the Papua Party (Papua Besena) all fielded candidates, and two new groups – the Papua Action Party and a predominantly Papuan 'Independent Group', headed by former Defence Force commander

Ted Diro – emerged as significant contenders. About 60 per cent of the 1125 candidates were endorsed by one (or more) of these eight parties. In several important respects, however, party structures were tenuous: except perhaps for Pangu, no party had an effective mass organisation and not even Pangu could claim a nationwide organisation; party attachment often meant little more than the use of a label; in a number of cases candidates stood for one party after failing to gain the endorsement of another; some candidates were endorsed by more than one party, and party members frequently stood against endorsed candidates of their own party. Moreover, while party voting was generally agreed to have been significant in 1982, personal, regional and clan loyalties remained critically important for the great majority of voters.

The outcome of the 1982 election was a victory for Pangu and Somare was duly reelected prime minister of a government composing Pangu, the bulk of UP members and some independents. A young highlander, Paias Wingti, became deputy prime minister (his appointment over more senior Pangu members being a recognition of the importance of the highlands vote). Leadership of the opposition passed to Diro, but when in the following year Okuk – who had failed to gain reelection in Simbu in 1982 – was returned in an Eastern Highlands by-election, Diro stepped down in his favour. There are few dull moments in Papua New Guinea politics, however, and early in 1985 simmering dissension within Pangu culminated in a split in the party. Wingti and 15 others crossed the floor, announcing the formation of a new party, the People's Democratic Movement (PDM). Somare subsequently survived a no confidence vote, with support from the NP and, surprisingly, the MA and with the PPP abstaining. MA parliamentary leader Momis replaced Wingti as deputy prime minister.

Meanwhile, the mercurial Okuk, who had lost his new seat in late 1984 following a challenge to his residential qualifications, was voted back again in another by-election in mid 1985 and

immediately began pressing for a cabinet post. When Somare ignored these demands Okuk crossed the floor, hoping to take with him the rest of the NP members (two of whom had portfolios in the Somare government). Instead he precipitated a split in the NP.

Somare's victory of March 1985, however, proved to be short-lived. In November there was another vote of no confidence and this time the vote went against Somare. Wingti became prime minister, with Chan as his deputy; Okuk was given the important Primary Industry portfolio.

The new government – a coalition of PDM, PPP, NP, UP and Papua Party – erupted in a series of public confrontations and in 1986 three ministers resigned under pressure, two to face court charges and another following allegations of bribery. Internal friction also continued to plague Pangu. In the early months of 1986 three senior members of Pangu (Tony Siaguru, Barry Holloway and John Nilkare) broke away, forming a group they labelled the Pangu Independent Group (PIG) – and hence the 'three little PIGs'. They were joined by two more disgruntled members and, having been disowned by Pangu, announced the creation of a new party, the League for National Advancement.

Thus, 11 years after independence and 22 years after its first national election Papua New Guinea had a plethora of political parties, and if history is any guide more could be expected to emerge as politicians mobilised for the national election in May-June 1987. Of the eleven groups mentioned in this brief survey, however, only five – Pangu, PPP, NP, UP and the more recent MA – can claim any substantial continuity. Of these, the NP, which began life in 1970 as in effect a highlands-based Pangu equivalent, has had an erratic career whose ups and downs have largely reflected the fortunes of Okuk, and though the UP has survived for almost as long as Pangu, it has lacked cohesion and coherence. All, moreover, are essentially parliamentary parties, coming to life in the electorates only at election time.

While the run-up to the 1987 election may produce a more

effective mass organisation and some geographic broadening of support, at least for the major parties (including the PDM), the fact remains that at present parties tend to be regionalised, not markedly differentiated from one another by ideologies or policies, and to revolve around their parliamentary leadership. It thus seems likely that in 1987, as in previous elections, voting outside the big cities will be determined more by personal, clan and regional loyalties than by party affiliation and that the leadership of the nation will pass to those who are most successful in cobbling together a workable coalition after the votes have been counted. Indeed deals are already being done – Pangu and MA, for example, have agreed not to compete against one another in the East Sepik and North Solomons regional electorates (those now held by Somare and Momis respectively) – and it is a safe bet that over the next few months the activities of politicians both in government and in opposition will be conducted with an eye firmly on the electorate. Some commentators have been critical of this ‘fluidity’ of the party system, seeing it as a source of ‘instability’, but it might equally be argued that the absence of sharp ideological or class-type cleavages in the political system has served the young nation well and has contributed to the sustaining of a democratic parliamentary system.

The economy

After something of a boom in the early 1970s, the performance of the Papua New Guinea economy over the decade to the mid 1980s was disappointing in relation both to the earlier period and to the economic performance of other countries in the region. Real GDP has grown at an average annual rate of about 2 per cent, a rate slightly less than the rate of increase in population. On the other hand, estimates of growth in the non-cash economy and various social indicators suggest that the wellbeing of most rural villagers – and that accounts for over 80 per cent of the Papua New Guinea population – has steadily improved: levels of health

and nutrition are generally higher; most villagers enjoy better access to services, and participation in the cash economy is greater.

Since coming into production in 1972, the Bougainville copper mine has been a major contributor to Papua New Guinea's development. In the early 1980s exports of gold and copper from Bougainville comprised over 50 per cent of total exports and revenue from the mine provided around 20 per cent of government revenue. A second major gold and copper mine, at Ok Tedi, commenced production in 1984 but the Ok Tedi operations have been plagued by disputes between the operating company and the government over the conditions of the original agreement. Three other major gold prospects, at Porgera, Lihir and Misima, were currently under development in 1986 and there have been promising discoveries of oil in the Southern Highlands.

Tree crops provide the other major source of export earnings, with coffee the most important, followed by oil palm and cocoa. Output and export prices for most of these crops held up fairly well during the early 1980s, though all are subject to sizeable fluctuations in world prices. The discovery of coffee rust in smallholder plantations in the highlands, Madang and the Sepik, however, posed a serious threat to the future of this industry, which in the early 1980s contributed about 14 per cent of total export revenue. Measures to combat the fungus are being taken but climatic conditions and the fact that about three quarters of the output of the industry comes from smallholders, mainly in fairly remote areas, make effective action difficult.

Apart from mining and agriculture, Papua New Guinea's economic prospects do not seem to be particularly promising: fisheries and timber have made significant contributions to export earnings but the development of manufacturing is constrained by lack of skilled manpower and relatively high wage levels.

The government sector plays a major role in the Papua New Guinea economy – a heritage of the Australian colonial period –

and the high level of government spending has been sustained only by continuing substantial aid from Australia. In the first three years of independence, aid from Australia – mostly in the form of general budgetary assistance – accounted on average for 38 per cent of total budget expenditure. By 1980 the proportion had fallen to 29 per cent, but since then it has remained at about that level. Thus, despite the stated commitment of successive governments and opposition parties to a greater degree of national fiscal self-reliance, Papua New Guinea remained heavily dependent on Australian aid. In July 1985 the two countries negotiated a new five-year agreement to cover the period to 1991. Under this agreement Papua New Guinea was to receive a total of \$A1400 million with annual grants declining by 3 per cent per annum and a further 2 per cent per annum being shifted from general budgetary assistance to programme aid. In August 1986, however, in presenting the 1986/87 budget the Australian government announced that aid to Papua New Guinea would be cut by some \$A10 million in the current financial year. Less than four weeks later, foreign minister Hayden, while visiting Port Moresby, gave notice that Australian aid to Papua New Guinea may be further cut; a figure of \$A45 million per annum was mentioned. The Australian government's decision to renege on its agreement brought a predictable and justifiable sharp reaction from Papua New Guinea's deputy prime minister and finance minister Chan, and from the foreign minister. The impact of further reductions in Australian aid is of particular concern to the Papua New Guinea government in view of warnings from the IMF concerning the growth of the country's external public borrowing.

Papua New Guinea's economic prospects are thus not exactly bleak, but neither do they provide grounds for complacency. The maintenance of sound economic management and fiscal responsibility is thus a prerequisite of the future economic wellbeing of the country, a fact which seems to have been well recognised by the Wingti government.

Provincial government*

The Constitutional Planning Committee (CPC) which drafted Papua New Guinea's constitution in 1974 recommended a 'fully decentralised system of unitary government', partly as a means of maximising popular participation in government and partly to accommodate the demands for regional and local autonomy which had emerged in the years preceding independence. In the event, decentralisation was not written into the constitution but in 1977, under pressure from Bougainvillean politicians who had made a unilateral declaration of independence of the North Solomons, the government passed legislation, in the form of an Organic Law on Provincial Government, which provided the basis for delegation of political and administrative powers to the country's 19 provinces, broadly in accordance with the CPC's recommendations. Interim provincial governments were established in all provinces in 1977 with elections for provincial assemblies to follow as soon as practicable. Selected functions were transferred from the national government during 1977-79 and by mid 1979 four of the 19 provinces had achieved full financial responsibility (i.e. provincial control of all funds available to the province, most of which come in the form of transfers from the national government). It was, however, more than two years before another province attained full financial responsibility and in 1986 fewer than half of the provinces had it. In the meantime two provinces had run into serious financial difficulties as the result of maladministration and had been bailed out by conditional loans from the national government.

The task of establishing viable governments in provinces of widely varying fiscal and administrative capacities, and in an atmosphere of frequently intense local politics, was understandably not easy. It was made more difficult by the resistance which many national government officials offered to decentralisation

* For a more recent assessment of provincial government see chapter 7. Also see May and Regan with Ley (1997).

and by frequent opposition from national politicians who saw provincial governments as a challenge to the bases of their electoral support. Critics of provincial government – and there have been many – have described it as wasteful and as failing to achieve the objective of bringing government closer to the people. They have had no difficulty in finding instances to cite of financial excesses and mismanagement, inefficiency, nepotism and corruption. In 1983 the Organic Law on Provincial Government was amended to make it easier for the national government to suspend provincial administrations. Soon after, governments were suspended in four provinces: Enga, Manus and Simbu in 1984 and Western (Fly River) in 1985. (Provincial government was reinstated in Manus 12 months after its suspension, following a new election; Simbu, suspended late in 1984, recommenced operations after the national parliament went into recess without passing the necessary legislation to extend its suspension). Several other provincial governments may consider themselves fortunate not to have been suspended, including Central Province (the province surrounding the national capital, Port Moresby), whose premier is currently facing charges of misusing government funds. In addition, several measures have been taken over recent years which are generally seen as partially reversing the trend of decentralisation, for example the withdrawal of some delegated functions, the allocation of funds to national politicians to spend in their provinces, tighter controls over provincial finances, and a decision to do away with the National Fiscal Commission (which was set up under the Organic Law to mediate on fiscal matters).

In 1984 Somare, whose lack of enthusiasm for provincial government is longstanding, responded to criticisms of decentralisation by proposing a plebiscite to advise on the future of provincial government. This brought a quick reaction from the supporters of decentralisation, however, and in the Islands region the provincial premiers threatened secession if provincial government were abolished. Instead, Somare referred the subject to a

select parliamentary committee headed by Siaguru. The parliamentary committee's inquiry was in progress in November 1985 when the change of government occurred and one of the first acts of the Wingti government was to scrap it, ostensibly as an economy measure but also perhaps because the principal movers in the enquiry were his political rivals.

Whatever its shortcomings, provincial government now seems to have become an inescapable part of Papua New Guinea's political landscape. Not only are provincial governments well entrenched politically, they have become, as suggested earlier, important sources of political and administrative initiative in some areas of policy; moreover, as the administrative capacity of the national government comes more closely into question, provincial governments are sometimes seen as having an increasingly important role in the delivery of services to the more remote rural areas.

Apart from the regular intergovernmental contacts provided through the annual Premiers' Council meetings, and informal provincial secretaries and regional premiers' conferences, political linkages have developed between the two levels. Not only does provincial government seem to be emerging as a stepping stone to careers in national politics but a number of politicians who have lost seats in national parliament have re-emerged as influential figures in provincial assemblies. One effect of this (often an offshoot of tensions between national and provincial politicians) has been a 'provincialisation' of national politics. In an extreme case, in Morobe Province, where the outspoken premier Utula Samana seems likely to be a candidate in the 1987 national election, there is talk of a Morobe Independent Group screening the provincial candidates of all major parties in 1987 to ensure their loyalties to the province. On the other hand there also seems to be an emerging tendency to extend (national) party politics into provincial assemblies. Initially, in most provinces there was opposition to political parties, which were seen as potentially disruptive of the small-scale politics of provinces, but

in recent years party alignments have become increasingly evident in provincial assemblies.

All this points to a critical need to raise the integrity and efficiency of provincial governments and to provide effective, non-antagonistic lines of communication between the national government and the provinces.

Law and order

In the mid 1980s a good deal of attention was being given – in Papua New Guinea as well as in the Australian media – to the deteriorating ‘law and order’ situation in Papua New Guinea. In 1981 the government appointed a committee of review on law and order and the following year it initiated a review of the police force. In 1983 another committee was established to review policy and administration on crime, law and order and in the same year a major study of law and order was commenced under the joint direction of the Institute of National Affairs and the Institute of Applied Social and Economic Research; the INA/IASER report became available in 1984. On the basis of these enquiries, in 1984 the government announced a series of measures (the ‘49 measures’) to combat the breakdown of law and order, and appointed a task force to oversee their implementation. Another task force on law and order was created in the following year, which also saw the declaration of a state of emergency in Port Moresby.

There have been three major elements underlying this concern: an increase in tribal fighting, particularly in the highlands provinces; an apparent upsurge in the incidence of urban crime, especially crimes of violence; and the emergence of organised crime networks, particularly what are referred to in Papua New Guinea as *raskol* gangs. Behind all of these developments are some broader questions concerning the changing nature of Papua New Guinea society and the role of the state.

Pre-contact Papua New Guinea society was characterised by

an extraordinarily high degree of social and political fragmentation and by a fairly high degree of violence. During the colonial period much of the energies of the administration were directed at preventing fighting between the numerous small communities and bringing them together within the framework of a modern state. In most coastal areas the period of colonial rule was sufficiently long that the bases of inter-group fighting were resolved or forgotten. However, in the highlands and some other parts of the country, where the period of effective control was historically quite short, as the authoritarianism of colonial rule gave way to the more democratic political processes of the independent state, tribal fighting simply resumed where it had been interrupted. Improvements in transport and communication, the introduction of new political institutions, and the widespread use of alcohol increased the possibilities for tribal fighting and brought some modifications in the way it was conducted.

In the towns, large-scale unemployment, especially amongst young people, a marked imbalance in the ratio of males to females amongst urban migrants, and an increasingly obvious disparity between a relatively affluent urban elite – Papua New Guinean and foreign – and the mass of the urban population all contributed to the apparent upsurge in crime, though it is worth noting that urban crime has affected the poor and the weak in towns at least as much as it has affected the wealthy and the powerful. Not all criminals, moreover, come from the underprivileged. For example, an East European-born resident was charged in 1986 over possession of stolen car parts (he was said to have been the head of an organised car stealing racket). In addition, there has been a disturbing incidence of charges against senior politicians and public servants, ranging from traffic offences and embezzlement to rape.

The other disquieting element of the law and order situation has been the spread of *raskol* gangs. *Raskols* (the Tokpisin word derived from the English 'rascal', but lacking the jocular overtones of the English word) have been part of the urban and rural

scene since at least the early 1970s. Then, it seems, *raskol* gangs mostly comprised unemployed youth from the same village or subdistrict; they were involved both in urban crime, such as theft and rape, and in some forms of rural lawlessness, notably thefts from trucks operating along the highlands highway. Frequently, it was alleged, they stole from the rich (expatriates, truck operators, big store proprietors) and redistributed to the poor, and they were often regarded with a certain degree of indulgence. Nowadays they seem more likely to contain members from different parts of the countryside, they contain older men including some hardened criminals and some educated young men, and there exist extensive and effective networks not only throughout the highlands but across the nation (during the state of emergency in Port Moresby in 1985 it was alleged that *raskols* in Moresby simply took off to other parts of the country, and following successful police action in which stolen goods were recovered in Moresby in 1986, there were swift retaliatory raids against police in Lae and Mount Hagen). There also appears to have been a rise in the scale of criminal activity: there have been armed holdups of cocoa and coffee buyers, bank robberies, post-election paybacks, a number of pack rapes, and in the Eastern Highlands the small town of Kainantu was virtually held to ransom by *raskols*. Outbreaks of lawlessness in Port Moresby and the highlands, marking the death of Okuk, took authorities by surprise and underlined the fragility of the law and order situation.

The costs of this breakdown in law and order are considerable. Apart from the immediate damage to person and property, food gardens and cash crops have been destroyed, village enterprises have been forced out of business, schools have been closed down, freedom of movement has been impeded, and it has become almost impossible to persuade public servants to work in some areas; ultimately foreign investment, tourism and overseas recruiting also suffer.

Proposed measures to combat or solve the problem cover a

wide field. They range from the draconian (such as corporal punishment – including the anti-rapists' '*katim bol bilong ol*'; restrictions on the movement of people into towns and repatriation of inter-provincial migrants; tougher police action; use of the military), through the more practical (greater self-regulation through village courts, provincial rehabilitation centres and so on; a larger and better trained police force) to the more ambitious (youth schemes, employment creation, reductions in social inequalities). On one point, however, there is agreement: the law and order problem is complex and not amenable to easy solution. In the highlands provinces several states of emergency have been declared since 1979 and police mobile riot squads, equipped with helicopters and tear gas, have been deployed, without conspicuous success. On the other hand the state of emergency in Port Moresby, which included a curfew and increased police patrolling, brought a dramatic decrease in crime, at least temporarily. And in the Eastern Highlands, low-level liaison with rural communities succeeded in securing the mass surrender of *raskol* gangs who had been terrorising Goroka, Kainantu and travellers on the highlands highway. Whatever action is taken against offenders, however, the problem of lawlessness is unlikely to go away unless something can be done to reverse increasing social inequalities, frustrated expectations, and the breakdown of traditional authority structures.

The border

Located strategically between Southeast Asia and the Pacific, Papua New Guinea is an active member of the South Pacific Forum and has special observer status within ASEAN. The major preoccupation of its external relations, however, has concerned its common border with Indonesia.

In 1969, in an event variously referred to as the 'Act of Free Choice' and the 'Act of No Choice', Irian Jaya, the former Dutch New Guinea, formally became part of the Indonesian Republic.

Incorporation into the Indonesian state was resisted by Melanesian nationalists, who sought a separate state of West Papua; some actively opposed Indonesian rule within Irian Jaya while others 'voted with their feet' by crossing into Papua New Guinea. In the 17 years since 1969 opposition to Indonesian rule, led by the Organisasi Papua Merdeka (OPM – Free Papua Movement), appears to have strengthened rather than diminished and there has been a steady trickle of refugees across the border. In 1984 this trickle became a flood. Indonesian military action against the OPM has also resulted in occasional incursions into Papua New Guinea, where the guerrilla fighters have been known to set up temporary camps.

A basic framework for administrative relations between Indonesia and Papua New Guinea was laid down in a border agreement negotiated on Papua New Guinea's behalf by the colonial government but renegotiated, with some changes, by the independent government of Papua New Guinea in 1979 and 1984. This agreement acknowledges the rights of traditional groups in the border area (including border crossing for traditional and customary purposes – such as hunting, sago gathering, and trade), it contains provisions relating to quarantine, river navigation, development of resources and environmental protection, and it establishes machinery for joint consultation and liaison. Since independence in 1975 successive Papua New Guinea governments have broadly maintained the policies of the former colonial government; Papua New Guinea has accepted unreservedly the sovereignty of Indonesia in Irian Jaya, it has denied the use of Papua New Guinea territory to the OPM, and it has discouraged border crossing while accepting a small number of refugees for resettlement either within Papua New Guinea or, with the assistance of the UN High Commissioner for Refugees, in third countries.

Over the past decade, however, events along the border have created recurring tensions between the two nations and on several occasions relations with Indonesia have loomed large in

Papua New Guinea's domestic politics. There is within Papua New Guinea, even at the highest political levels, a good deal of emotional sympathy with the position of the Melanesians of Irian Jaya, who are seen as having been denied their independence and having fared poorly under a repressive regime. Some educated Papua New Guineans have expressed fears that Indonesia might one day invade Papua New Guinea as it invaded East Timor.

The massive influx of Irianese refugees into Papua New Guinea early in 1984, following an abortive OPM-led uprising and subsequent Indonesian military crackdown, again brought the border into prominence and with subsequent border incursions, and the failure of the formal consultation and liaison arrangements to resolve the problems amicably, Papua New Guinea's foreign minister ultimately felt compelled to raise the issue at the UN General Assembly.

Since then relations between Indonesia and Papua New Guinea have been restored to a degree of cordiality and in October 1986 the two countries signed a Treaty of Mutual Respect, Friendship and Co-operation. [See chapter 13.] There has also been talk of closer military ties between the two countries. There are still, however, some 10000 to 12000 border crossers in refugee camps along the Papua New Guinea side of the border. Although some have been persuaded to return to Irian Jaya, the vast majority have been unwilling to go back. Moreover, in 1986 reports of the arrival of a further 700 border crossers into Papua New Guinea suggests that the problem is a long way from solution. The border thus seems likely to remain a source of occasional irritation and tension in relations between the two countries for some time to come.

The future

The 11 years since independence have thus seen substantial changes in Papua New Guinea's society, economy and politics. Some of these changes have been dictated by external circum-

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stances beyond Papua New Guinea's control; others reflect the passing of the colonial regime and the efforts of the new nation to establish its Melanesian identity. Not all changes have been for the better. Some deterioration in administrative standards, the development of a serious law and order problem, widening disparities between a predominantly urban educated elite and the mass of the population in rural villages or peri-urban squatter settlements, and a degree of economic uncertainty all pose problems for a government pursuing development with equity.

On the other hand, democratic institutions are flourishing, substantial localisation of the workforce has been achieved, the economy appears reasonably sound, and Papua New Guinea has become a significant and independent voice in regional affairs. In the process, there has been a degree of distancing in relations between Papua New Guinea and Australia. This tendency was exacerbated by the Australian government's handling of the aid relationship and by the propensity of some Australian ministers to pontificate on the subjects of Papua New Guinea's economy and regional interests. It may also be accelerated if, as is to be expected, Papua New Guinea's national elections in 1987 produce a new crop of younger politicians who lack the familiar relationship which men such as Somare and Chan have had with Australia. But in any event relations between the two countries are likely to remain close and many Australians will watch with sympathetic interest the unfolding of events in Papua New Guinea's second decade of independence.